



TO: Honorable Chairperson and Members  
Board of County Commissioners

DATE: May 20, 2003

SUBJECT: FY 2002-03 Mid-Year General  
Fund Budget Amendments

FROM:

Steve Shive  
County Manager

### **RECOMMENDATION**

It is recommended that the Board of County Commissioners (BCC) approve the attached Countywide and Unincorporated Municipal Service Area (UMSA) General Fund budget amendments, which distribute allocated funds among various County agencies from appropriate reserves.

### **BACKGROUND**

Florida law and the Home Rule Charter require routine budgetary adjustments to be made during a fiscal year. The mid-year adjustments presented are customary at this time of year to allocate reserves set aside in the budget ordinances for various purposes, and to reflect properly the estimated level of departmental expenditures. For certain departments, these General Fund budget amendments were referenced in the FY 2002-03 supplemental budget ordinance that was submitted to the Board for first reading on May 6 and is included on the May 15 Budget and Finance Committee agenda for its public hearing. Also, funds outside the General Fund were budgeted to offset the cost of separation payments to General Fund supported employees who are completing their time in the Deferred Retirement Option Program (DROP) and are retiring. Therefore, adjustments for those costs are not included in the budget amendment.

As we proceed in the FY 2003-04 budget process, we are facing many challenges. Due to the election-related costs and some unanticipated departmental expenditures, such as those associated with a higher than anticipated inmate population in the jails, the current projection for carryover into FY 2003-04 is much lower than that into the current year. The effect of the lower carryover, combined with unavoidable cost increases next year (e.g.; the increased costs of the state retirement system and of health insurance), is a funding shortfall that requires remedial action this year. In addition, we are also facing impacts of state and federal budget cut backs. To improve the outlook, on April 22 (memorandum attached), I challenged all department directors to reduce projected expenses or, alternatively, increase revenues by five percent. A restricted hiring process was put into effect, and reclassifications are being reviewed. In addition, we are reviewing administrative procedures to reduce unnecessary steps with an eye to increasing efficiency and effectiveness. I anticipate issuing a report in that regard by the middle of the month.

Even with those measures, we must consider different service models and organizational structures as we develop the proposed budget if we are to minimize service disruptions next fiscal year. To that end, I have held an executive retreat of the staff from my office and the Office of Management and Budget and a second retreat that included all department directors to consider alternatives. I have directed my staff and the Office of Management and Budget to work with the departments to price the savings available from ideas developed at the retreats. I anticipate that some of those alternatives will be included in the proposed budget. In addition, we are working with the Office of Intergovernmental Relations to maximize our opportunities for state and federal funding. However, it is unlikely that such additional funding will be identified and secured before the Proposed Budget is released.

Funding for the mid-year budget amendments normally is available from reserves set-aside for distribution at this time when funding requirements are known. Examples are the reserves for the Board-approved cost-of-living adjustments (COLA), separation costs, and information technology projects. In addition, as previously reported to the Board, the contingency fund will be used to fund the cost of the November 5 election. However, because of the extraordinary cost of the election as well as unanticipated departmental expenditures, there are not sufficient reserves to fully cover the current projected expenditures. Therefore, we needed to incorporate into the amendment a portion of the savings anticipated from the April 22 departmental challenges. Because the savings plans are still being developed, we have not allocated savings to each department, but rather have incorporated them on an aggregate basis by adjusting the allocations for only the Miami-Dade Police Department (MDPD) and the Corrections and Rehabilitation Department. As a result, a year-end amendment, in particular for the MDPD and the Corrections and Rehabilitation Department, may be needed depending on the realization of the savings plans. Also, it is recommended that some costs, including those for property insurance and some information technology projects, be transferred to the Capital Outlay Reserve Fund (CORF), where funds are available due to changes in project schedules. (It should be noted, that, in order to continue work on the rescheduled projects, additional funding to CORF will be required in FY 2003-04 to replace the funds used this year.) The transfer of costs to CORF allows the original departmental and non-departmental appropriations for those transferred costs to be reallocated among departments as needed for this amendment. Details regarding the departmental budget amendments are provided below and are outlined in Attachment 1.

At this time, a budget amendment of \$11.548 million is recommended for MDPD to cover the cost of higher than budgeted personnel expenditures such as those associated with the Board-approved wage adjustment, additional General Fund overtime because of a lack of Law Enforcement Trust Fund (LETF) revenues, and the early recruitment and hiring of police officers to mitigate the effect of the retirement of sworn personnel this fiscal year. A portion of this amendment (\$481,000) is recommended to come from the UMSA contingency reserve in light of the extraordinary reduction in LETF revenues.

A budget amendment of \$4.213 million is recommended now for the Corrections and Rehabilitation Department to cover overtime costs due to a higher than expected inmate population, as well as expenses related to the negotiated wage adjustment.

The Elections Department requires a budget amendment of \$7 million to cover the costs of the November 5, 2002 General Election, as well as additional operating costs for the remainder of the fiscal year.

The Property Appraisal Department requires a budget amendment of \$2.093 million to cover additional personnel expenditures related to pay adjustments and efforts towards the updating of the residential, commercial, and industrial real and personal property tax rolls. The adjustments include funding for unbudgeted overtime expenses associated with assuring the 2003 tax roll is as accurate as possible.

The Department of Procurement Management (DPM) requires a budget amendment of \$1.296 million to authorize expenditures associated with the Automated Procurement System (ADPICS) (\$1.044 million) and to cover additional expenditures such as the costs associated with the Board-approved wage adjustment (\$252,000). Consistent with past practice, the above ADPICS expenditures were not included in the original DPM budget. These costs were budgeted in the non-departmental reserves pending a more accurate determination of project schedules and projected FY 2002-03 expenditures.

At the October 8, 2002, meeting of the BCC, Commissioners Dennis C. Moss and Rebeca Sosa sponsored a resolution increasing mowing cycles from the levels in the FY 2002-03 Adopted Budget to the higher levels provided in FY 2001-02. This resolution also directed staff to recommend an appropriate funding source to the Board at a subsequent meeting.

The Public Works Department Rights-of-Way Assets and Aesthetics Management Division oversees the mowing maintenance cycles along Metrorail and Metromover guideways, on medians of county-maintained roads, and on the roadside swales of county-maintained roads. Maintenance of transit guideways and medians cost approximately \$60,000 per cycle, while maintenance along roadsides costs approximately \$80,000 per cycle. Guideways maintenance is a countywide function while maintenance along roadsides is 80 percent countywide and 20 percent unincorporated in nature.

As illustrated in the chart below, a total of 36 cycles were performed in FY 1999-00. This maintenance was increased to a peak of 66 cycles in FY 2001-02 and reduced to 44 cycles in the FY 2002-03 Adopted Budget.

	<u>FY 1999-00</u>	<u>FY 2001-02</u>	<u>FY 2002-03</u>	<u>Difference</u>
Guideways	12 (\$720,000)	24 (\$1.44 million)	16 (\$960,000)	8 (\$480,000)
Medians	12 (\$720,000)	24 (\$1.44 million)	16 (\$960,000)	8 (\$480,000)
Roadside Swales	12 (\$960,000)	18 (\$1.44 million)	12 (\$960,000)	6 (\$480,000)
Total	36 (\$2.4 million)	66 (\$4.32 million)	44 (\$2.88 million)	22 (\$1.44 million)

Since maintenance of Metrorail and Metromover guideways is a transportation improvement function within the adopted People's Transportation Plan, and because Miami-Dade Transit (MDT) can absorb the additional cost, it is recommended that all 24 maintenance mowing cycles of the guideways be absorbed within MDT's FY 2002-03 budget. The Public Works Department will continue to perform the guideways maintenance function. This change will free up \$960,000 of Countywide General Funds that had been budgeted in Public Works for this effort. The Countywide portion of additional median maintenance cycles and roadside maintenance cycles can be funded from this source within the Public Works budget (\$768,000), allowing the balance of the freed up monies (\$192,000) to be used as a funding source for other General Fund amendments. The UMSA portion of median maintenance and roadside maintenance requires a budget amendment of \$192,000 for Public Works.

The BCC requires an amendment of \$1.377 million for the allocation of unexpended FY 2001-02 year-end Commission Office balances, to adjust the District 4 budget for expenditures that occurred before the new Commissioner took office (\$25,000), and to increase the Commission pooled budget for Chair approved Commission travel related to the relocation of the Free Trade Area of the Americas (FTAA) Administrative Secretariat to Miami (\$50,000). The year-end balances reflect savings during FY 2001-02 and are allocated as follows: District One - \$204,000, District Two - \$9,000, District Three - \$141,000, District Five - \$180,000, District Six - \$210,000, District Seven - \$1,000, District Eight - \$212,000, District Nine - \$158,000, District Ten - \$43,000, District Eleven - \$107,000, and District Thirteen - \$37,000. In addition, as a result of the heightened level of security, MDPD will be providing an additional two sergeant-at-arms to the BCC

The Office of the Mayor requires a budget amendment of \$56,000 for the allocation of unexpended FY 2001-02 year-end balances. The Mayor requests that \$15,000 of these additional funds be allocated to the Haitian American Cultural Society for Haitian Cultural Month activities.

The Park and Recreation Department requires a budget amendment of \$1.015 million to cover revenue shortfalls mainly due to the delayed opening of the Metrozoo Aviary and to cover expenses related to the U.S. Track Meet, the negotiated wage adjustment, and separation costs.

The Miami-Dade Fire Rescue Department's Air Rescue Division requires a budget amendment of \$1.094 million in order to authorize additional personnel expenditures related to employees on military leave.

The Department of Human Services requires a budget amendment of \$506,000 to authorize expenditures related to the Board-approved wage adjustment and for expenses related to the Passage Ways to Independence Program.

The Employee Relations Department requires a budget amendment of \$466,000 to fund separation costs, temporary clerical staff, and the employee survey initiative. The Office of Management and Budget requires a budget amendment of \$453,000 to cover separation costs, salary adjustments, including those in accordance with the Board-approved wage adjustment, cost associated with staffing the municipal advisory committees, and the cost of three additional management trainees. The Medical Examiner requires a budget amendment of \$450,000 to cover additional personnel expenditures and lower than anticipated proprietary revenues. The Communications Department requires a budget amendment of \$445,000 to cover additional personnel costs, including reclassification and wage adjustment costs, and the cost of additional support to the Chair's Office and A.M. Radio Advertising Program, as well as lower than anticipated proprietary revenues. The e-Government Department requires a budget amendment of \$400,000 for the Customer Service Initiative that includes a service leadership program, a marketing effort, a guidebook of departmental best practices, a public benefit value statement, and the streamlining of services. The Audit and Management Services Department requires a budget amendment of \$315,000 to cover the cost of the Board-approved wage adjustment and lower than anticipated proprietary revenues. The International Trade Consortium (ITC) requires a budget amendment of \$332,000 to cover salary adjustments, including those in accordance with the Board-approved wage adjustment. The County is appealing a Federal Aviation Agency (FAA) decision that Aviation funds were incorrectly used to pay for services provided to the Aviation Department by other County agencies, including the ITC. Therefore, depending on the outcome of the appeal, the ITC may require an additional General Fund amendment at year-end. The Office of the County Manager requires a budget amendment of \$260,000 to cover separation costs and the Board-approved wage adjustment. The Office of Community Relations requires a budget amendment of \$243,000 to cover higher than budgeted personnel costs and the cost of producing a research report on the state of community relations in Miami-Dade County. A budget amendment of \$200,000 is necessary to prepare activities and functions related to hosting the Free Trade Area of the Americas Ministerial and the VIII Americas Business Forum. The Office of Employee Recognition requires a budget amendment of \$116,000 as a result of higher than anticipated personnel costs. The Office of Agenda Coordination requires a budget amendment of \$81,000 to authorize expenditures related to the new Committee structure, such as additional overtime, printing costs, and courier services. The Office of Fair Employment Practices requires a budget amendment of \$61,000 to cover additional personnel expenditures, including the Board-approved wage adjustment. The Department of Business Development requires a budget amendment of \$57,000 to authorize additional personnel costs associated with the Board-approved wage adjustment, separation expenses, and reclassifications. The Community Action Agency requires a budget amendment of \$52,000 to cover the cost of the Board-approved wage adjustment.

The Pay Plan that the Board annually approves in September as part of the budget ordinances normally includes extending the wage adjustment to the non-bargaining unit employees. In September 2002, since the collective bargaining process was not yet completed, the Pay Plan did not include the appropriate language to include this group of employees. Therefore, at this time, it is recommended that the Board approve for all County officers, unless otherwise prohibited by law, and non-bargaining unit employees a wage adjustment consistent with the Board-approved wage adjustment (four percent) in the collective bargaining agreements.

#### Attachments

CMO05803

## ATTACHMENT 1

### COUNTYWIDE GENERAL FUND

#### From:

**2002-03**

Wage Adjustment, FRS, Separation, and Energy Reserves	\$9,918,000
Contingency Reserve	3,400,000
Information Technology Projects Reserve	2,970,000
Utility Debt Service for Building	1,432,000
Prior Year Encumbrances Reserve	1,400,000
Tax Equalization Reserve	1,250,000
Judicial Administration	1,000,000
Office of the Clerk	700,000
Property Damage Insurance	674,000
Public Works	<u>192,000</u>

Total	<u>\$22,936,000</u>
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#### To:

Elections	\$7,000,000
Corrections and Rehabilitation	4,213,000
Miami-Dade Police	2,356,000
Property Appraisal	2,093,000
Fire Rescue – Air Rescue	1,094,000
Park and Recreation	1,015,000
Board of County Commissioners	895,000
Procurement Management	842,000
Human Services	506,000
Medical Examiner	450,000
International Trade Consortium	332,000
Employee Relations	303,000
Communications	289,000
e-Government	260,000
Community Relations	243,000
Audit and Management Services	205,000
Free Trade Area of the Americas and Americas Business Forum	200,000
County Manager	169,000
Management and Budget	158,000
Employee Recognition	75,000
Business Development	57,000
Agenda Coordination	53,000
Community Action Agency	52,000
Fair Employment Practices	40,000
Office of the Mayor	<u>36,000</u>

Total	<u>\$22,936,000</u>
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**ATTACHMENT 1**  
**(continued)**

**UNINCORPORATED MUNICIPAL SERVICE AREA GENERAL FUND**

<b>From:</b>	<b><u>2002-03</u></b>
Wage Adjustment, FRS, Separation, and Energy Reserves	\$6,489,000
Tax Equalization Reserve	3,350,000
Prior Year Encumbrances Reserve	700,000
Contingency Reserve	481,000
Information Technology Projects Reserve	<u>365,000</u>
 Total	 <u><u>\$11,385,000</u></u>

<b>To:</b>	
Miami-Dade Police	\$9,192,000
Board of County Commissioners	482,000
Procurement Management	454,000
Management and Budget	295,000
Public Works	192,000
Employee Relations	163,000
Communications	156,000
e-Government	140,000
Audit and Management Services	110,000
County Manager	91,000
Employee Recognition	41,000
Agenda Coordination	28,000
Fair Employment Practices	21,000
Mayor	<u>20,000</u>
 Total	 <u><u>\$11,385,000</u></u>

CMO05803a





# MEMORANDUM

(Revised)

**TO:** Honorable Chairperson and Members  
Board of County Commissioners

**DATE:** May 20, 2003

**FROM:** Robert A. Ginsburg  
County Attorney

**SUBJECT:** Agenda Item No. 7(L)(1)(A)

Please note any items checked.

- \_\_\_\_\_ "4-Day Rule" ("3-Day Rule" for committees) applicable if raised
- \_\_\_\_\_ 6 weeks required between first reading and public hearing
- \_\_\_\_\_ 4 weeks notification to municipal officials required prior to public hearing
- \_\_\_\_\_ Decreases revenues or increases expenditures without balancing budget
- \_\_\_\_\_ Budget required
- \_\_\_\_\_ Statement of fiscal impact required
- \_\_\_\_\_ Bid waiver requiring County Manager's written recommendation
- \_\_\_\_\_ Ordinance creating a new board requires detailed County Manager's report for public hearing
- \_\_\_\_\_ Housekeeping item (no policy decision required)
- \_\_\_\_\_ No committee review

Approved \_\_\_\_\_ Mayor

Veto \_\_\_\_\_

Override \_\_\_\_\_

Agenda Item No. 7(L)(1)(A)  
5-20-03

RESOLUTION NO. \_\_\_\_\_

RESOLUTION AMENDING FY 2002-03 COUNTYWIDE  
GENERAL FUND AND UNINCORPORATED MUNICIPAL  
SERVICE AREA GENERAL FUND BUDGETS

WHEREAS, Section 129.06 (2), Florida Statutes and Section 1.02 (A) of the Miami-Dade County Home Rule Charter authorize the Board of County Commissioners to amend the general fund budgets and establish procedures for doing so; and

WHEREAS, this Board desires to accomplish the purposes outlined in the accompanying memorandum from the County Manager, a copy of which is incorporated herein by reference,

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF MIAMI-DADE COUNTY, FLORIDA, that the FY 2002-03 Countywide General Fund and Unincorporated Municipal Service Area General Fund budgets are amended as reflected in the attached memorandum and consistent with the collective bargaining agreements approved by the Board of County Commissioners, the following wage adjustment for all non-bargaining unit employees and County officers is hereby authorized:

Effective the beginning of the first pay period in July, 2003 all County officers, unless otherwise prohibited by law, and non-bargaining unit employees shall receive a four percent (4%) wage increase. This increase shall not apply to employees whose pay rates are over maximum (red circled).

The foregoing resolution was offered by Commissioner \_\_\_\_\_, who  
moved its adoption. The motion was seconded by Commissioner  
and upon being put to a vote, the vote was as follows:

Bruno A. Barreiro  
Jose "Pepe" Diaz  
Sally A. Heyman  
Jimmy L. Morales  
Dorrian D. Rolle  
Katy Sorenson

Dr. Barbara Carey-Shuler  
Betty T. Ferguson  
Joe A. Martinez  
Dennis C. Moss  
Natacha Seijas  
Rebeca Sosa

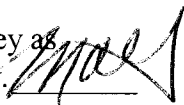
Sen. Javier D. Souto

The Chairperson thereupon declared the resolution duly passed and adopted this 20th day of  
May, 2003. This resolution shall become effective ten (10) days after the date of its adoption  
unless vetoed by the Mayor, and if vetoed, shall become effective only upon an override by this  
Board.

MIAMI-DADE COUNTY, FLORIDA  
BY ITS BOARD OF COUNTY  
COMMISSIONERS

HARVEY RUVIN, CLERK

Approved by County Attorney as  
to form and legal sufficiency.



By: \_\_\_\_\_  
Deputy Clerk

**MEMORANDUM**

TO: Department Directors

DATE: April 22, 2003

SUBJECT: Savings Plans

FROM:

Steve Shiver  
County Manager



I was very excited and pleased by your participation in our meeting on Tuesday, April 15. Your suggestions and ideas are now being reviewed. I anticipate that many of them will be discussed with the Budget and Finance Committee and the County Commission and will be included in the Proposed Budget. Others will be developed over the summer and will be recommended to the County Commission before the budget is considered in September.

As discussed at our meeting on Tuesday, we are facing a very challenging task as we prepare the FY 2003-04 Proposed Budget. The task is made difficult by a combination of unavoidable, unbudgeted costs for elections and certain other departmental functions as well as ever-increasing demands to serve the growing population of Miami-Dade County. These demands are not only from external pressures on our organization to continue to do more, but include mandatory and contractual obligations such as our various labor agreements. In addition, we are facing effects from shifts in state and federal funding priorities. Without an immediate and concerted savings effort, our carryover into FY 2003-04 will be at historically low levels and program adjustments will be required next fiscal year. However, as I told you Tuesday, I rely on each of you as members of the County team to be part of the solution.

Given the circumstances that we face, we must begin reducing expenditures in the current year to position ourselves as well as possible for FY 2003-04. To do so, I am setting a goal of saving five percent from current departmental expenditure projections. This goal will apply to all departments that receive property tax support as well as to proprietary agencies requesting fee increases in FY 2003-04. Within a week, you should provide your plan to your assistant county manager and to the Office of Management and Budget for review. Actions in the plan should be prioritized to minimize the effect on direct services and existing employees. The plans should take into account budget priorities reflected in the County's Strategic Plan, the Mayor's Budget Message, the County Commission discussion at the March 18 budget workshop as well as the list of budget priorities in my January report to the Board. (A copy of the Mayor's Message and my report is attached.) Each of you should examine and then minimize all discretionary expenditures immediately. Any programmatic change that does not affect services or existing employees should be effectuated without waiting for a formal review and approval of your savings plan.

In addition, the personnel requisition system will be reactivated to require approval by the Office of Management and Budget (OMB) for any requisition to fill any full-time, part-time, or temporary position. Departments are not to by-pass this process through the use of temporary agency staffing and are not to overspend their temporary agency budgets. Furthermore, any personnel reclassifications involving non-bargaining unit employees, will require review by OMB and the approval of your assistant county manager before being considered by the Employee Relations Department. I am directing that requisitions and reclassifications not be approved for property tax-supported agencies and agencies requesting fee increases next year until the savings plan has been approved by my Office.

While I recognize the difficulty these conditions impose, I trust you realize how critical the situation is. Other communities are facing similar challenges. New York City and the County of Los Angeles, which are reported to be facing similar shortfalls, are considering closing facilities, reducing services, and laying-off employees. I am hopeful that, with your cooperation, such drastic measures will be minimized. I thank you in advance for your support in this effort and remain ever open to your suggestions and comments.

cc: Honorable Alex Penelas, Mayor  
Honorable Chairperson and Members  
Board of County Commissioners  
Honorable Joseph P. Farina, Chief Judge, Eleventh Judicial Circuit  
Honorable Harvey Ruvin, Clerk of Courts  
Honorable Katherine Fernandez-Rundle, State Attorney  
Honorable Bennett Brummer, Public Defender  
Robert A. Ginsburg, County Attorney  
County Manager's Assistants  
Department Directors  
Ira Clark, President, Public Health Trust  
OMB Staff  
Eric McAndrew, Chief Legislative Analyst

cmo05503



## MEMORANDUM OFFICE OF THE MAYOR

TO: Honorable Chairperson and Members      DATE: March 31, 2003  
Board of County Commissioners

FROM: Alex Penelas      SUBJECT: Budget Message  
Mayor      Fiscal Year 2003-04

A handwritten signature in black ink, appearing to read "Alex Penelas", is written over the printed name and title.

### I. Major Budget Policy Recommendations

Pursuant to Section 1.10(D) of the Miami-Dade County Charter, I present to you my Budget Message for fiscal year 2003-04. In September 2002, the voters of Miami-Dade approved an amendment to the Home Rule Charter relating to the County budget process, requiring me to deliver a Budget Message in March and to provide a response to the Manager's Proposed Budget by July 31. Because of the accelerated schedule and the fact that neither departmental budget hearings or revenue projections have been completed at this time, it is appropriate that this Budget Message set forth my budgetary priorities, but contain less detail than in prior Messages. My response to the Manager's Proposed Budget in July will contain further specificity regarding recommended millage rates, program categories and funding levels. My July message may also readjust my budgetary priorities based on factors we cannot predict at this time, e.g., impact of the war on the economy and security costs, revenue projections, impact of final State budget, etc.

Since I am required to provide a response to the Proposed Budget by July 31, I am directing the Manager to release his Proposed Budget no later than July 1.

I am pleased to present my seventh Budget Message, as this is my first opportunity to identify important budget issues that will guide Miami-Dade County's official budget and policy decisions for fiscal year 2003-04 and beyond. They include:

- Strategies to deal with the economic impacts of the war, potential State cost shifts to the County and reductions in key State services
- A fiscally conservative tax rate
- Ensuring a strong, effective and efficient government
- Continuing our investment in children
- Providing access to convenient, reliable and affordable health care for all residents of Miami-Dade County
- Strengthening the effectiveness of our economic development programs through job creation and neighborhood revitalization

## **a) Potential Impact of the War on Miami-Dade County's Economy**

Wednesday, March 19, 2003 became an important day in our history - the beginning of U.S. military action in Iraq. Our hearts go out to the more than 100 reservists employed by Miami-Dade County and all of our brave and courageous men and women across the nation who are fighting in this war. Each of them - and their families - is in our thoughts and prayers.

There are many uncertainties relating to this war, including how it will affect Miami-Dade County's economy. Given our dependence on tourism, we are more vulnerable than most of the country to the effects of war. Recent reports indicate that a short war may have a minimal impact on our economy. However, a recent Visit Florida report predicts there will be a 15 to 20 percent drop in tourism even in the best of circumstances. Additionally, the commercial airline industry, upon which our economy depends to a significant extent, is experiencing difficulties. As such, a potential decrease in sales tax revenue may lead to even more difficult decisions that must be made as it relates to the fiscal year 2003-04 State Budget. Regardless of what happens, the war represents another challenge to our economy. We only need to look back on the September 11<sup>th</sup> attacks, which led to a sharp decline in tourism, to understand this. Among this uncertainty, we do know one thing - we must be prepared and have a strategy to minimize the economic impact, regardless of the magnitude. We cannot allow Miami-Dade County's economy to become a casualty of war.

To address these uncertainties and minimize the economic impact of the war on our community, I am recommending the development of an economic strategy similar to that which we employed immediately after the domestic attacks of September 11<sup>th</sup>. We must continue to expedite contracts, support the expansion of local small business, expand our domestic tourism marketing plan and build a stronger social safety net.

## **b) State Cost Shifts to Local Government**

Another looming challenge to our economy is the budget cuts being considered in Tallahassee. As a local government responsible for delivering direct services, we are constantly challenged to do more without raising taxes. Each year through our budget process, we strike a delicate balance between cutting taxes and providing services our residents tell us they need. I am proud to say that over the past seven years we have improved services, made significant infrastructure improvements and streamlined much of our government *without* raising taxes. In fact, we have lowered property taxes by modestly reducing the total combined millage each year (see Attachment 1). We have also provided additional targeted tax relief and free transit service to our senior citizens. In every successive budget message, I have issued a challenge to the administration to do more with less, and each year they have responded.

The challenges we face each year in balancing our obligation to meet needs while holding down costs are significant. Whether it is protecting the public's safety, providing clean drinking water, operating local and regional parks, fixing potholes, paving our streets, or delivering critical social services to those in need, our residents rely on us as their local government to get the job done. Together with the 33 municipalities that comprise Miami-Dade County, we are the day-to-day face of government. Because local governments are closer to the people, they hold us more accountable. However, our ability to deliver services is directly related to funding decisions and fiscal policies of the State and Federal governments. All budget decisions in Washington DC and Tallahassee trickle down to Florida's cities and counties, and affect our ability to deliver key services and hold the line on taxes.

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This year, our State is facing a budget crisis that threatens much of the progress we have made on many issues important to our community. Fiscal decisions made by the State in the past are coming home to roost. Couple this with the recent downturn in the economy and the news is not good for local governments. Budget proposals being considered in Tallahassee could shortchange vital services such as healthcare, juvenile justice and child welfare. The potential impact on our Public Health Trust alone is estimated at \$30 to \$41 million at this time. Juvenile justice program reductions under consideration are estimated to have a \$23 million impact on Miami-Dade County. In addition, local communities are being told to assume responsibility for child welfare without the appropriate funding to get the job done right. To compound this problem, Tallahassee blocks our access to millions of dollars available from the federal government for these services that they leave unclaimed each year.

The balance we strive for in our budget and the progress we have made at the local level is threatened by a massive cost shift to our County that is estimated at more than \$17 million in our current year budget and approximately \$100 million in fiscal year 2003-04.

We must oppose any effort to balance the State's budget at the expense of local taxpayers. Our local voter-approved half-cent sales tax for indigent healthcare and our newly established Children's Trust surtax are meant to expand healthcare for the underprivileged and enhance services for children – not supplement the State's budget shortfall. Reducing funding for healthcare and shifting the responsibility for funding key children's services like child welfare and juvenile justice to local taxpayers is no different from when the State raided lottery proceeds meant as an "enhancement" for the education of our children. With passage of the voter-approved Children's Surtax (and the People's Transportation Plan half-cent surtax), we have an opportunity to reach the next rungs on the ladder, but the State budget crisis threatens to set us back.

We won't know the outcome of the State budget crisis for at least another month, and our intergovernmental affairs team advises that it's possible that final funding decisions will be carried over to a special session of the Legislature. I am encouraged that progress has been made toward restoring some juvenile justice program reductions, but remain wary that even further cuts have been proposed in other key service areas, such as meals programs for our senior citizens.

In the past month, my office has worked with the Office of Management and Budget and various departments to begin assessing the potential for accessing federal funds for programs we currently operate or may wish to undertake that are eligible for federal funding. I urge the Manager to research the potential fully and pursue opportunities aggressively. It may be possible to do more with less when we begin closely examining how the State fails to draw down federal funds for key services that we fund either directly or in conjunction with the State. I also request that we undertake a full review of our existing grant agreements with the State and determine whether we are unnecessarily subsidizing state government by agreeing to "overmatch" what is required by the federal government to draw down funds that are passed through to the County for social services we currently provide. This initiative will be undertaken through an expanded grants coordination and revenue enhancement division which is discussed later in this Message.

#### **c) Successes in 2002**

While our current climate is one of caution, the year 2002 is one we can look back on with pride. With your support and many local and statewide organizations, we were successful in placing – and approving – on the November 2002 ballot, a state constitutional amendment implementing a program to provide every four-year



child in Florida a pre-kindergarten education. Pre-K education will be available to all four-year olds by 2005. Again, I want to thank the workers and volunteers for their tireless efforts, many of who traveled across the state to gather more than 700,000 petitions to get this initiative on the statewide ballot. Most of all, I would like to thank the voters who made this possible.

In 2002, voters also overwhelmingly approved an initiative vital to our County's future - the People's Transportation Plan. The program will allow us to leverage more in federal funds to expand Metrorail by 88.9 miles, double the county's bus fleet, and relieve traffic congestion through major road improvements. With the help and expertise of Commissioner Bruno Barreiro, we held countless community meetings, which provided a forum for the expression of opinions and ideas for transportation improvements. I believe that one of the reasons the People's Transportation Plan was approved is because thousands of citizens - the stakeholders who will reap the benefits - were provided the opportunity to participate in the development of the Plan.

Voters also approved the Children's Trust for Children's Health, Safety and Development. This initiative, spearheaded by David Lawrence, Jr., President of the Early Childhood Initiative Foundation, provides us with a major funding mechanism to put in place, viable and sustainable programs and alternatives that will nurture and protect all of our children. The Trust will provide much-needed funding for a myriad of programs that will benefit our children and make them happier, healthier, more productive, citizens.

## II. Tax Rates

We remain resilient in our ability to handle enormous challenges while continuing to provide the basic services our residents require. We are still feeling the effects of the reduction in our countywide general fund sales tax revenue, interest earnings and carryover. Due to the uncertainties of the war and the impact it may have on our economy, we must be prepared to deal with the consequences, regardless of the magnitude, and be properly positioned to shoulder any possible negative impacts.

In the past seven years, more than \$198 million has been cut from the County Budget through efficiencies, allowing us to invest these savings in key service areas, including subsidized childcare, Head Start, cultural programs and basic quality of life improvements such as sidewalks, local parks, drainage and street resurfacing. These efficiency savings have also allowed us to invest in our Ethics Commission, aggressively staff the Office of the Inspector General, expand economic development programs, and fund other community priorities. We have accomplished this while at the same time lowering the County's combined millage rate by .731 mills through fiscal year 2002-03. This represents more than \$93 million in the current fiscal year in tax savings to County property owners and \$330 million since fiscal year 1996-97. For the owner of a residential property of average value in the unincorporated area, this represents \$74 of savings in fiscal year 2002-03 alone.

As in the past, the fiscal year 2003-04 Budget should be one that is responsible and responsive. Good management serves as the crucial link between low taxes and high quality services. Now, more than ever, we must use sound judgment and do all we can, within our power, to minimize the burden on our taxpayers. This includes, among other things, not recommending funding for new responsibilities that can be accomplished with existing resources.

Because we are so early in the budget process and revenue projections are not complete, I am deferring my recommendation on property tax millages.

### **a) Senior Citizens Property Tax Exemptions**

Since its implementation, the Save our Seniors Program has provided relief to our senior citizens living on fixed incomes by doubling the homestead exemption. Since Miami-Dade County established the program, 14 cities have adopted similar ordinances (see Attachment 2). Our senior citizens have saved approximately \$28 million since the program began. This year, more than 36,000 senior citizens will receive the exemption, saving them more than \$7 million that can be used for other purposes. We must carry on our outreach efforts to ensure that all senior citizens who qualify for the program have an opportunity to realize a savings in their property taxes.

Under the leadership of Commissioner Joe Martinez, a resolution was approved in July 2002 urging the Florida legislature to propose a constitutional amendment freezing the tax assessments on the property of qualifying senior citizens receiving homestead exemptions, thus providing them with additional tax relief. We are hopeful that through our advocacy efforts we will be successful in placing this initiative before the voters in the near future.

### **III. Ethical, Efficient and Responsive Government**

Our efforts to clean up our government and ensure integrity continues. The Public Corruption Unit of the Miami-Dade Police Department, the Ethics Commission and the Inspector General should be commended for their ongoing investigative efforts in rooting out corruption. Our commitment to restoring public trust by investing substantial resources in these departments is paying off. Therefore, the Manager and the Board should be advised that I will not support any reduction in this investment in the fiscal year 2003-04 Budget.

Since fiscal year 1999-00, efficiency savings to the County are approaching \$150 million through the efforts of the Efficiency and Competition Commission and includes more than \$58 million in property tax supported funds. Our gainsharing incentive programs have been successful: the Water and Sewer Department produced savings of \$3.5 million in fiscal year 2001-02; the Corrections and Rehabilitation Department realized savings of \$983,000; and the Park and Recreation Department's Marina operations revenues exceeded their private industry benchmark by \$783,000. I would like to recognize the crucial role played by the Office of Performance Improvement in these initiatives and encourage their continued efforts to help our government find innovative ways to address the organizational challenges we face on a daily basis.

In my fiscal year 2002-03 Budget Message, I stated that I wanted to determine if operational efficiencies and savings could be realized through managed competition for the maintenance of the Fire Rescue heavy equipment fleet between the Fire and Rescue Department and the General Services Administration Department's Fleet Division. I am pleased to report that this maintenance function has been transferred to the Fire and Rescue Department and will result in annual savings of at least \$500,000. Results will be monitored over a two-year period to ensure these savings are realized.

In the current fiscal year budget, the Manager has built in efficiency savings of \$2 million relating to information technology and administrative, back-office support areas. I am hopeful that additional savings will be identified, which can be used to shore up our general fund balance. Additional cost saving measures such as those undertaken by the Water and Sewer and the Corrections and Rehabilitation departments, should be identified and included in the fiscal year 2003-04 Budget.

When initiatives or service enhancements are approved, such as adding new personnel, contracting for additional services, or constructing new facilities, it should be done in a timely manner. Far too often this is not the case. I strongly believe we must develop a system for holding our departments accountable for executing policy decisions by the Board and my office. One way we can begin to institutionalize this kind of accountability is through a stronger performance appraisal system. While I am pleased the pilot performance appraisal system for directors and other top County executives is underway, I would like to see this program fully implemented for all directors and executives.

#### **a) Healthy Reserves**

For some time, I have advocated for a stronger reserve in our countywide and unincorporated municipal service area (UMSA) budgets beyond that which is budgeted for contingencies. Stronger reserve balances will allow us to address uncertain/unforeseen events and avoid the reallocation of budgeted dollars from other priorities when these unforeseen events occur. We need to strengthen our reserves and I would ask the Manager to pay close attention to this issue as he develops his Proposed Budget.

For a County the size of Miami-Dade, a recommended fund balance is five to seven percent of budgeted revenues, which translates to approximately \$90 million for the countywide and UMSA general fund. I expect that, as we proceed through the budget development process, the Manager will develop a policy to achieve these balances. I also expect an allocation in the fiscal year 2003-04 Budget to begin addressing this issue.

I continue to support funding for Community-Based Organizations (CBOs), because it is partly through these organizations we have been able to effect positive change within our community. Although our investment in CBOs is significant, it has never been enough to fund all of the organizations worthy of our support. In fiscal year 1997-98, the system for awarding funds to CBOs was reformed to one that is currently based on objectivity, performance and competition. This reform was for the better because it improved our credibility as well as the opportunity to grant assistance to those organizations able to provide the most effective services. This is why I continue to express my strong objection to the establishment of Discretionary Accounts for Commission Districts. In light of the current economic climate and our need to strengthen our reserves, it is imperative that these funds are awarded to organizations that operate under the same premise as we do - doing more with less.

It does not reflect well on our County and our budget process when, during our September budget hearings, we devote hours discussing funding for CBOs and awarding funds to these organizations, thereby requiring a reduction in funding for other priorities or impacting our reserves. These organizations should be required to go through the same formal process as those organizations that apply for and are awarded funding based on a stated set of criteria. Therefore, I will be working with the Manager and the Board in the coming months to identify opportunities for improvements.

#### **b) Ensuring the Success of Future Elections**

In spite of our problems with the September election process, with the help of the County family and particularly our police department personnel, we were able to produce an organized and effective election in November. That being said, the 2004 presidential primary will soon again place us in the spotlight and we must have the proper resources in place to ensure that it is smooth and trouble free. The Manager has prepared a set of recommendations that address the issues arising out of last September's elections. Some of these

recommendations have been implemented and others will require Board approval as it relates to funding. While I understand the Elections Department cannot operate as it has in the past and that additional funding is required in the current year, I am troubled by reports that the department's fiscal year 2003-04 budget may increase by more than \$11 million from the current budgeted level of \$7.2 million. We must carefully consider the need for this level of increase and weigh all of our budget decisions, particularly those related to additional administrative layers, to ensure that the funds are directed where they are most needed. I encourage the Manager and the Board to fully examine any increase in funding and conduct additional research and benchmarking before bringing a recommendation of this magnitude forward. I understand that the Manager will be working with Commissioner Ferguson and other members of the Elections Subcommittee to evaluate the funding proposal and continue implementing recommendations to reform our elections process. It is through these efforts that we can assure our voting public that we can conduct elections in a seamless, professional and cost-effective manner.

#### **c) Procurement Reform**

As you are aware, I have repeatedly expressed my views regarding needed reform in our procurement system to make it more effective. I am pleased to see that we are moving in the right direction and soon the Board will have before it a comprehensive administrative order for procuring goods and services. Approval of this administrative order should result in a more efficient and professional procurement system for the County. The Board will also be asked to amend an ordinance to increase the Manager's procurement authority from \$500,000 to \$1 million. I commend Commissioner Rebecca Sosa for sponsoring this ordinance and urge Board approval.

#### **d) Grants and Revenue Enhancement**

As we continue our focus on doing more with less, I would urge the Manager and the Board to place an even greater focus on identifying ways to enhance our revenue for delivering key human services. According to statistics from the U.S. Census Bureau for the fiscal year ending September 30, 2001, Florida ranks 49<sup>th</sup> out of 50 States in the receipt of federal revenue per resident at \$642.68 per person. In stark contrast, for example, South Carolina received \$1,092 per resident. If we did as well as South Carolina in drawing down federal resources, our state would receive approximately \$7 billion more from the federal government. Clearly, Florida does a poor job drawing down the billions of dollars available from the federal government for literally hundreds of local programs. This problem is further compounded by the massive reductions and cost shifts proposed in the State budget, which will hurt the State's ability to draw down additional federal funds. If we are to improve upon the current situation, Miami-Dade County must be proactive and innovative in identifying and accessing new sources of federal funding and obtaining additional grant funds. We must assess our own funding decisions, identify federal funding streams available to match our own investment and work proactively with the State to access them.

The current efforts of our grants coordination staff include but are not limited to, identifying funding and grant opportunities for County departments and CBOs through grants websites and e-mail notices; monitoring state and federal legislation and appropriations for potential funding opportunities; providing grants-related technical assistance to departments and CBOs; and maintaining a countywide grants tracking and reporting system. This effort represents a good beginning, but we must do more to substantially increase our revenues from available federal funds. We must not confuse pursuing grants with accessing available federal funding streams. Oftentimes, grants are labor intensive, short term and relatively small in dollar value. In contrast, federal

funding streams such as those available for healthcare, crime prevention and early intervention, child welfare and poverty programs are multi-billion dollar programs that allow local and State funds to be used as leverage to draw down millions in federal dollars. These are the best opportunities for significant revenue enhancement and I would urge the Manager to develop a strategy for accessing them. This is by no means a simple process. We must be patient, focused in our effort and realistic in our expectations. The Alliance for Human Services has been focusing on this issue by examining our investment in CBOs, determining the level of federal funds our investment could qualify for and advocating for change in Tallahassee to encourage State agencies to work with us to access these funds for our community. I urge the Manager to partner with the Alliance to more fully assess the County's potential eligibility based on our own budget. Far more than our CBO funds should be examined to determine whether we are eligible for federal reimbursement or other matching funds.

I want to thank Commissioner Dennis Moss for advocating for funding in this area and voice my strong support for a more concentrated effort on the part of Miami-Dade County to focus on revenue enhancement and obtaining additional grant funding. Commissioner Moss has long advocated for the creation of a County office to lead this charge and take on these responsibilities. While some action has been taken, sufficient resources and manpower have not been allocated to effectively meet these challenges. I am therefore recommending that a Grants and Revenue Enhancement Division be created within the Office of Management and Budget. Such a division, with adequate staff and resources, unencumbered by other responsibilities and with clear lines of authority, can provide a significant financial return on our investment, benefiting our entire community.

#### **IV. Continuing our Commitment to Miami-Dade County's Children**

Our County has a proven track record of placing children first when their needs are not being met. Through hard work and determination, we succeeded in ensuring the availability of voluntary pre-kindergarten for all four-year olds in our state beginning no later than 2005. We have successfully eliminated our waiting list for subsidized childcare, expanded opportunities for Head Start and most recently established a dedicated source of funding for children in our community to be implemented by the Children's Trust. We must take great care to invest this new resource wisely and identify opportunities to leverage the proceeds and any existing funds with private, State and federal revenue, where possible and when appropriate. We must also avoid shifting any existing County funding responsibilities to the Children's Trust. Like our own County budget, our new investment in children is threatened by the proposed State funding cuts for children's services. We must avoid any temptation to do the same. I request that the Manager remain closely involved with the Children's Trust, and provide necessary in-kind staff support when requested. I also urge him to begin assessing our own service delivery capabilities through the Department of Human Services and identify ways the County may be able to assist in implementing the Trust's goals.

To fully assess our investment in children and protect against any cost shifts now and in the future, I urge the Manager to produce a Children's Budget as an addendum to our own County Budget. Such a document should include a description of every program funded by the County, Children's Trust and State that benefit our children. The Children's Budget will aid in identifying areas of overlap and where greater coordination by major fund providers would benefit our children. I recommend that the Manager partner with major community organizations such as the Alliance for Human Services, United Way of Greater Miami, South Florida Workforce, the Department of Children and Families and others to begin creating this annual document.

Through leadership, vision and commitment by many individuals in our County administration and within our community we have accomplished much, and the potential for significantly improving children's services

through our new, dedicated funding source is immeasurable. With these efforts underway, I believe the County should expand its focus and identify ways to further assist our most vulnerable children. We can continue this commitment by focusing greater attention on those who are at-risk, abused and neglected and expanding our existing commitment to delinquent children. These children are part of state child welfare and juvenile justice bureaucracies that have failed to meet their needs. The State may be principally responsible for delivering services to these children and their families, but they have failed to do so effectively. They are *our children*, our future, and we have a moral obligation to ensure their needs are being met. Set forth below are initiatives to expand our focus on our most vulnerable residents, ones who have no voice, but who need our leadership and help.

#### **a) Meeting the Needs of Abused and Neglected Children**

The Challenge: Our community faces a significant challenge as the State moves forward aggressively in the privatization of care and protection for abused and neglected children through the Community-Based Care Initiative. For too long, this State has poorly managed and under-funded those services, which at their core are a central obligation of all States, to protect their smallest victims. The federal government recognizes this significant obligation and assists States through billions of dollars in entitlement funding to care for these children; and equally important, to prevent abuse from occurring in the first place by investing in families. Yet the State of Florida turns its back on millions of dollars - \$80 to \$100 million according to their own consultant's report.<sup>1</sup>

Additionally, through "privatization", the State has decided that our community should provide this service to children and families through a "lead agency", which the State is currently in the process of evaluating and selecting. However, improving how abused and neglected children are cared for does not change simply because there is a change in who is doing it - the change must be in the manner in which it is done, and in investing the necessary resources to affect positive change. Our community is now responsible for delivering these services, yet many of the same failed policies, procedures and management dictated by Tallahassee remain intact. Further compounding this challenge, the State still controls the fiscal strings and is rejecting additional federal resources at a time when more children are at risk. Most recently, the State proposed a new "equity" formula in prevention and preservation funds that results in a loss of over \$20 million to Miami-Dade County, again, at a time when our abuse and neglect reports are going up and many more needs are not being reported out of fear of government.

We cannot confuse the legitimate goal of community-based care with a misguided notion of no role for government at all. As our community moves forward in delivering services to this vulnerable population, it goes without saying that we must demand that our children and families receive all the financial resources they are entitled to, but *pay equal attention to how this gets done and to improving the results*. Therefore, I am requesting that the Manager assign staff to fully participate in the Community-Based Care Alliance (of which the County is a member), assess the potential impacts of the privatization initiative on children in our community, report back on the impact of the State's proposed budget on this process, and identify the challenges and opportunities for the County.

Oversight and Accountability: A critical reason for the State's failure to do this job properly has been a lack of institutional accountability and oversight. For being the Sunshine State, the Department of Children and

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<sup>1</sup> Maximus Presentation to Secretary Regier, October 1, 2002: State of Florida Department of Children and Families, District 11 Child Welfare Assessment Report and Recommendations.

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Families budgeting practices and programs have operated in the dark. We need to support and expand the role of those who can give us the facts and tell us where we need to do a better job.

First, Florida has a national model for child advocates. It is a balanced model of citizen volunteers and attorneys to represent the best interests of our children and it is called the **Guardian Ad-Litem Program**. Tragically, some children are treated differently or less importantly because the State refuses to fully fund this program. While every child does not need the same level of intervention or the services of an attorney – every child deserves to have the State's actions or lack of action checked by an independent voice. This check and balance is at the heart of every legal process in this country and it is no less important for children and families when the State is the "ward" of the child.

Second, Miami-Dade County already has a community-based model of case review for abused and neglected children: it is called **Foster Care Review**. Like the Guardian Ad-Litem Program, it is staffed by volunteers and provides meaningful review and critical independent data on the needs of children in licensed foster care. Federal law does not only require this case review, it is another "common sense" check on those who are responsible for the lives of these vulnerable children. Every report, every review of Florida's system has told us to support these critical functions and that is why I am requesting that the County Manager identify funding opportunities or any systemic barriers to allow for an expansion of their roles. Knowing how our children are treated in the child welfare system is a critical component in holding the State accountable for delivering effective services.

#### **b) Opportunities**

Child Abuse Investigations: While not excusing the State's obligation to properly fund these services, there are targeted areas of service delivery where the County may be better prepared to provide critical services to children and families. One such area is child abuse investigations. A lack of integrity and competency in front-end child abuse services undermines the entire child welfare system. Families in our community must trust that investigators are properly trained and want to help them stay together if possible. When abuse investigations result in a referral to family preservation services, that referral must actually connect these families to those services. Too often there is a disconnect, or lack of quality programs, due to inadequate funding. The County provides some of these services through our Family Builders program and we should look for ways to expand our role and strengthen our family preservation programs.

Three months ago, I wrote Secretary Regier and the Governor expressing my concern over abuse calls being inappropriately screened based on the status of the child as a delinquent or being held in a Department of Juvenile Justice facility. I have again received reports that delinquent children are rejected by the abuse hotline and have also learned that the abuse hotline is not appropriately staffed with Spanish and Haitian Creole speaking operators. We cannot exclude whole communities from the mechanism in place to report abuse and protect children because the State fails to properly staff the abuse hotline. I have met with the Interim District Administrator and expressed our interest in evaluating the potential for assuming responsibility for child abuse investigations. Members of my staff have also discussed this matter with Miami-Dade Police Department Director Carlos Alvarez and the Manager's staff and met with the District Administrator a month ago to begin assessing the capacity – both in the State's fiscal commitment and in our operational capabilities- to assume responsibility for child abuse investigations. I am further requesting that the Manager and the County Attorney assist in the assessment and report back with a proposed operational plan that meets our standards and considers

all available funding options together with appropriate liability provisions. Many in our community believe that we can do a better job in this area and we should honestly evaluate whether it is possible.

Emancipation Services: Another area where the State has failed to meet the needs of children in its care is in the preparation of thousands of older youth in foster care, who are aging or "emancipating" out of the system. Tragically, many of these children have special needs and are ending up in our jails or homeless. This is one area where the State receives significant funding from the federal government but fails to use that money to effectively assist these children. The system has been so consumed with programs and special services that it has lost focus on what these children need - a family. They need positive committed relationships. If we cannot reunite these children with their parents or find them an adoptive home, then we need to work toward another permanent relationship. Like our own children, older children in foster care need practical help preparing for adulthood, but they also need moral and personal support - the kind that can only come from a caring adult such as a mentor or through a stable family. Providing these children with services does not excuse the State from its obligation to find these children stable homes and families.

We must do more to hold the state accountable for providing for these children as they transition to adulthood. The State is supposed to coordinate its services for preparing and transitioning these youth with other programs that receive funding for the same target population, specifically juvenile justice and special needs programs. These programs - whether Housing, Education, Workforce Development or Special Needs - are delivered at the local level, but the state has made little or no attempt to coordinate its resources for these children with our community. Therefore, I am asking the Manager to work with the Community Based Care (CBC) Alliance and help the Lead Agency implement an integrated delivery model for supportive services for these older youth, so that these children's needs are not driven by the system or a particular provider's program.

I am also asking the Manager to design and implement a Professional Mentoring and Employment Program for youth aging out of the foster care system in County Departments. Our County Library has demonstrated leadership in this area and should be evaluated as the first partner for the program. While these young adults need jobs, they also need supportive relationships and professional mentoring to succeed. This program will serve as one small way the County can do its part - one child at a time.

Focus on Relative Caregivers: We also need to recognize that over half of the children removed from their homes in Miami-Dade County are placed with relatives. These are families who want to do the right thing for children and the present child welfare system takes advantage of their generosity. Many of these relatives are older and in need of supportive services. Many relative caregivers are underprivileged and struggling to get by with their own children. I believe we can do a better job meeting the needs of these families. Other States are doing more and use federal demonstration programs to provide meaningful financial assistance, support services and training for relative caregivers to qualify them for additional support. Miami-Dade County values families and we need to support those who are stepping up and providing care for children at a significant savings to the State. Therefore, I am requesting the Manager to review how other jurisdictions are accessing resources for these families and provide a report that identifies how the State, County and CBC Lead Agency can improve their support.

Each of the above areas is critical to the well-being of at-risk, abused and neglected children in our county. It is easy to "pass the buck" and dismiss these children as someone else's responsibility, but these children are ours and we must do our part to ensure that they are properly cared for and placed in nurturing homes. This does not mean that the County should or will assume a significant share of the costs; child welfare remains a State funding responsibility. I strongly believe, however, that just as we have focused our attention at the local level



on delinquent children through our Juvenile Assessment Center and local youth violence prevention, we should also begin to closely examine what role we can play in improving our child welfare system.

### c) Educating Our Children

Pre-K 4 All: Miami-Dade County led the charge for a State constitutional amendment to provide a pre-kindergarten education to all four year olds by 2005. The need is obvious - in our county alone there are 160,000 children under the age of five. Thirty percent or more of our children enter first grade significantly behind academically, socially and/or physically. There are more than 900 children currently on the Head Start waiting list, of which 385 are four year olds. The Pre-K program has the potential to, at minimum, reduce this waiting list by nearly 42 percent. Universal Pre-K is a logical extension of the work we have already begun and a practical solution to the problems we face.

In November, I convened a Universal Pre-K Conference in Orlando to initiate the first discussions with legislators, educators, childcare advocates, private childcare and faith-based providers, teachers, unions, PTAs, and parents statewide, to design a strategic implementation plan for presentation at upcoming State workshops and sessions. As the statewide leader on Pre-K, Miami-Dade County will continue the charge. Along these lines, the Office of Intergovernmental Affairs will be working with the State Legislature to create Universal Pre-K legislation. I am hopeful that the State Legislature will use the recommendations developed at the Universal Pre-K Conference as a basis for the program. The Early Childhood Initiative Foundation will coordinate Pre-K activities, including but not limited to, organizing conferences and meetings and coordinating other educational awareness activities.

Head Start: The purpose of Head Start is to break the cycle of poverty by developing the cognitive skills and social and emotional capabilities of low-income preschool children, as well as offering them nutritional meals, and medical and mental health care. Parents receive instruction on nutrition and child development, and are directed into needed community programs.

President Bush's fiscal year 2003-04 Budget proposes a historic shift in the Head Start program that calls for the federal government to offer States broad new control over decision-making and move the program from the Health and Human Services Department to the Department of Education. The proposal, if approved, will give States the option of controlling their own Head Start programs or continuing to allow the federal government to manage them. It also gives States the power to determine which programs can receive Head Start funds. Critics state the changes in the program, now 38 years old, would be costly and could undermine the health and social services now offered by the program. They also worry that in these tight economic times, States may be tempted to use the funds for other things. This issue is of great concern to me in light of the across-the-board funding reductions proposed in the fiscal year 2003-04 State Budget and the effect these reductions will have on Miami-Dade County if they are approved by the Legislature.

While I agree with the proponents that say Head Start programs should continue to move forward in literacy and language development, increasing accountability, and making sure every child in America is ready for school, I am not convinced that moving the program to the Department of Education and shifting power to the States will achieve these goals. Head Start is not only an early education program; it is a family support program that stresses parental involvement. I am concerned that if control is turned over to the State, funding for programs traditionally offered by our Head Start program may eventually be reduced or eliminated.

We must closely monitor these issues to ensure that our Head Start program continues to provide the same level of quality service in the future. Approval of the President's proposal, in its current form, may have an adverse effect on our fiscal year 2003-04 Budget and future budgets.

Head Start Facilities: In fiscal year 2000-01, the Board approved phased funding for two new Head Start facilities to provide space for 400 additional children. Federal funds were secured to replace the Opa-locka Head Start facility. In my fiscal year 2002-03 Budget message, I reported that construction of the Opa-locka facility would begin this year. However, I was very disappointed to hear construction will not begin until 2004 and not completed until sometime in 2005. As a result, it will cost more to build the facilities as construction costs increase annually. To take four to five years to construct a facility is inexcusable. Among other reasons for the delay, the process for procuring an architect took more than 16 months. When we tell our taxpayers we're going to do something, we need to come through, on time, with no excuses. As such, I am directing the Manager to closely monitor the progress of the construction of these facilities. We must do whatever we can, within our power, to expedite the completion of all three of these facilities. We currently have more than 900 children waiting and further delays cannot be tolerated.

Subsidized Childcare: We continue to work diligently to provide a reliable alternative for working parents who cannot afford childcare. Our efforts in addressing this disparity have been very successful. Available evidence suggests that among low-income women, higher quality childcare may increase employment, stability of employment and hours of work. Affordable and accessible childcare is a key factor in allowing many parents to maintain their jobs and continue to be productive members of our society.

We have demonstrated our commitment toward the goal of providing childcare to those least able to afford it by investing \$14.5 million over the last three years. Further, more than 5,000 three-year olds and 2,700 four year olds under subsidized care have been screened during the last year to identify any developmental delays and to begin the process of preparing them for Pre-K. A public awareness campaign, developed privately, will soon be underway to better inform the public of all of the services provided by the County's Child Services Division (CSD). A major goal of the campaign is to provide a unified and cohesive message that encompasses the work of all CSD units. I am recommending that the necessary funding be included in the Budget so that we may continue providing this worthwhile service to our children.

Investing in Services for the Visually Impaired: The Miami Lighthouse for the Blind was founded 72 years ago. Since that time, it has progressed from being a gathering place of blind citizens for social interaction to a well-regarded rehabilitation and training center for people who are blind or severely visually impaired. Services are free of charge and are offered to all age groups. Thousands of individuals have trained at the Lighthouse and now lead fuller, more independent and productive lives.

A study completed by Florida State University documents that within the first three years of life, 97 percent of all learning is acquired through vision, by way of imitation and exploration. Without vision, a visually impaired baby forfeits this normal path of growth. These babies require specialized training during these critical years that will assist them in adapting to the sighted world later in life. The Little Lighthouse, one of the many programs of the Miami Lighthouse for the Blind, offers hope for a brighter future for babies with vision impairments and their families. It is the area's first developmental program for training infants and toddlers (from birth to age 6) and also provides support and training to parents, families and caregivers. I am recommending funding for the acquisition of equipment and sensory toys to train and stimulate these children and provide essential parental training and counseling, a crucial element in the Little Lighthouse program.

To promote Braille literacy and ensure that visually impaired individuals have sufficient and accurate Braille materials available throughout the community, I am creating the VIISA (Visually Impaired Information and Services Access) Task Force. The Task Force will expedite the compilation of information on existing and proposed information/services and funding sources that will be included in the final plan. I am recommending that funding to support the work of the Task Force be included in the Budget.

#### **d) Juvenile Justice**

As you are aware, the fiscal year 2003-04 proposed State Budget includes a potential reduction and cost shifts as high as \$23 million in our juvenile justice programs. The reductions total approximately \$61 million statewide. If approved by the State Legislature, these reductions would dramatically affect our ability to intervene early enough in the cycle of delinquency to deter a child from future criminal behavior. At this time, the State's Proposed Budget eliminates funding for essential services such as secure pre-trial detention, misdemeanor probation, assessments for misdemeanor cases and the Juvenile Alternative Sanction Program (JASP). Funding is also eliminated or reduced for a number of community-based programs.

Since the initial recommendations were released there has been an outcry against these reductions throughout the state and in the past week there has been positive movement to restore many of them. I would like to thank the members of our delegation, especially Representative Gus Barreiro for advocating for restoration of these reductions. I am cautiously optimistic that many of them will be restored, but I remain concerned about the overall health of our juvenile justice system and the proposed cost shift to counties for pre-trial detention. Such a shift will affect our ability to expand our commitment to delinquent youth through front-end prevention and diversion services at our Juvenile Assessment Center (JAC).

The JAC is a centralized point of entry into the system that provides for the collection of critical information on our entire juvenile arrest population. It provides proactive intervention by diverting juveniles arrested for first time minor offenses from the traditional system and provides the resources necessary to help prevent them from continuing the cycle of delinquency. More than 3,800 juveniles and their families have participated in the JAC Post-Arrest Diversion Program since its inception in December 2000. Approximately 73 percent of these juveniles successfully completed the program and the recidivism rate for these juveniles is four percent. The federal government has recognized the success of our JAC and the research generated will be used as a basis for formulating juvenile justice policy and programs nationally. We must continue our support for this critical component of our juvenile justice system and look for ways to strengthen it and streamline the services we provide to the children it serves.

In order to achieve greater effectiveness and efficiencies, I am directing the Manager to evaluate all of our juvenile justice programs, including assessment and diversion of delinquent youth, to determine if these services can be consolidated. At the present time, diversion programs are funded both at the JAC and through the Department of Human Services. This arrangement should be closely examined and restructured to better focus our resources and provide more effective diversion and intervention services for our children. To ensure the JAC has the resources it requires to carry out its mission, I am also recommending that the Manager include funding for the JAC at a level that will enable it to carry out its mission effectively.

Our ability to meet the needs of children in both our juvenile justice and child welfare systems has also been adversely affected by the deplorable condition of our juvenile courthouse. Our juvenile judges, prosecutors, public defenders, guardian ad-litem and court personnel labor under extremely difficult circumstances in our

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current facility. For far too long, their needs have gone unmet. Thankfully, we can finally look forward to a better day for children in our justice system with the planning and construction of a new juvenile courthouse. I would like to extend my appreciation to the Honorable Joseph Farina, Chief Judge of the 11<sup>th</sup> Judicial Circuit Court, who led the effort to obtain funding for a new courthouse. It will provide much-needed space for the courts to operate effectively, and more importantly, reflect the value we place on our most vulnerable and at-risk children. Because construction of the new juvenile courthouse will take several years, I would ask the Manager to explore and support efforts to make modest improvements at our existing facility to improve conditions for the employees who work there and the children and families it serves.

**Youth Crime Task Force:** By providing early intervention, the Youth Crime Task Force program has successfully steered a number of juveniles away from a life of crime through its partnerships with community-based and other organizations. The program has an academic component for high-risk juveniles and addresses school attendance, preparedness and academic performance. It also works with juveniles processed through the JAC's Post-Arrest Diversion program. This is a worthwhile investment which deserves our continued support. In the coming year, I encourage the Manager and the Board to explore the extent to which we may be able to use our Youth Crime Task Force funding to draw down additional federal funds for crime prevention activities. There may be opportunities to partner with the State to access additional resources and expand the programs we fund through the Task Force. This should be a project examined by our new Grants and Revenue Enhancement Division within the Office of Management and Budget.

**Youth Gang Summit:** In July 2002, I announced my support for a much-needed Youth Gang Summit that would focus on ways to reduce gang-related activities. High school students, police officers and prosecutors attended the Summit, coordinated by the Dade Miami Criminal Justice Council and held earlier this month. I believe forums such as this should continue because they produce constructive suggestions on how we can divert and prevent youth from becoming involved in illicit gang activities. I am therefore, recommending that an allocation be included in the Budget to support the recommendations from the Youth Gang Summit that include the need for diverse interventions: services specifically designed for gang members and their families; and sufficient, desirable after-school activities. In addition, I am recommending funding to support a future Summit.

## **V. Healthy, Self-Reliant Families – Investing in Health Initiatives**

### **a) Access to Affordable Health Care – Health Care Coverage for the Uninsured**

The lack of health insurance for those who cannot afford it is a problem that affects each and every one of us. In 1999, the Florida Health Insurance Study identified more than 450,000 uninsured Miami-Dade County residents. Since then, the number has reportedly increased. While there are public programs in place to provide healthcare for our needy children, we do not have a public/private partnership program to deal with the healthcare needs of uninsured adults, such as the working uninsured.

On February 15<sup>th</sup>, 2002, I held my first Health Care Access Initiative, which included more than 300 participants from public entities, the private sector and private residents. Our focus was Miami-Dade's uninsured population and the formulation of recommendations to serve them. To address this burgeoning healthcare crisis, I created a 52-member Health Care Access Task Force, whose mission is to ensure that residents in Miami-Dade County have access to quality, convenient and affordable health care coverage through governmental and private partnerships and public awareness of available and new programs. A series of 62

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meetings were held during which new healthcare programs, ideas for potential funding sources and a plan of action to serve the uninsured residents of Miami-Dade County were developed.

On March 20<sup>th</sup>, the Health Care Access Task Force issued its final report and recommendations on "Forging Health Partnerships for Community Action." The Task Force Report expressed that, of the more than 450,000 uninsured individuals in Miami-Dade under the age of 65, approximately 185,000 are employed with incomes under the 200 percent Federal Poverty Level (FPL). It recommends a public/private partnership for employed individuals with incomes under the 200 percent FPL and who do not have access to public insurance programs such as Medicare, Medicaid or the Children's Health Insurance Program (CHIP). The program is designed for small businesses with 50 or fewer employees (comprised primarily of Miami-Dade County residents) who earn an average of \$10 or less an hour and whose principal place of business is in Miami-Dade. The employee, the employer and public funds will each cover 1/3 of the program premiums, which total an estimated \$120 per individual per month. Local funds will be combined with federal funds to cover the government portion of premiums (at a rate of 41 cents local to 59 cents federal) and the employee and employer will each be responsible for its one-third portion at approximately \$40 per month. We envision that the federal matching funds will come from the Medicaid Hospital Upper Payment Limit (UPL) Program, of which approximately \$65 to \$100 million is available for the State of Florida. However, statutory authority to implement the program will require legislative action during this year's Florida legislative session in order to provide benefits through a group health coverage plan and to secure federal funding.

I support the recommendations of the Health Care Access Task Force and thank them for their hard work and diligent efforts in developing a set of recommendations that will begin to address the needs of our uninsured residents and I thank the Board for its support and encourage members to pass implementing legislation as soon as possible. To begin addressing this urgent problem, I am recommending an appropriation of \$2.6 million for the County's initial contribution to the Flex Plan Insurance Program, as well as start-up costs for a new governing body that will provide coordination and planning for all health care needs of the community.

#### **b) KidCare**

The KidCare Program is a State subsidized health insurance program for Florida children through the age of 18. As of February 2003, there were 274,000 children enrolled in one of the KidCare insurance programs (Medicaid, Healthy Kids, MediKids and CMS). However, it is estimated that another 92,000 children living in low-income families remain uninsured. Of these 92,000 uninsured children, nearly 83,000 may be eligible for the KidCare program but more than 9,000 are not eligible because of their immigration status. We need to advocate for the passage of legislation, sponsored by Senator Bob Graham and Congressman Lincoln Diaz-Balart, which will address the healthcare needs of these children.

In addition, the Health Care Access Task Force recommends funding to coordinate and expand outreach activities in Miami-Dade to identify those children that are eligible for KidCare but whose parents may not be aware of the program. It also suggests that many of those children not eligible for KidCare could be included in the proposed Flex Plan healthcare insurance program for the working uninsured and their families.

#### **c) Promoting the Fitness and Wellness of Our Residents and Employees**

The Mayor's Health and Fitness Challenge Committee, created in 2001 through a partnership with the Health Foundation of Florida, Inc., developed a program to promote physical exercise, nutrition and general wellness

among our residents. In collaboration with the Parks and Recreation Department and members of the private sector, Miami-Dade County will be implementing a one year program of health and fitness events and activities that will include low, medium and high impact challenge activities for all ages, entertaining/informative nutrition programs, stress reduction seminars and health screening events. The program kickoff is scheduled for July 2003.

Since I believe that targeting a program for our employees can reap enormous benefits, including, but not limited to, improved personal well being, increased productivity, reduction of stress and the prevention of illness and injury, I am recommending that funds be allocated to include our County employees in this program as part of the Mayor's Health and Fitness Challenge.

To ensure the coordination of these efforts beyond the initiative, I also recommend the creation of a "Fitness Coordinator" position within our Parks and Recreation Department. This individual will assist with and support the coordination of the Health and Fitness Challenge, setting the ground work for a continuous program targeting those employees, families and individuals who are interested in developing and maintaining healthy exercise and nutritional routines. Consistent with the goals of the Health and Fitness Challenge, the Parks Department would build on the yearlong program by coordinating the use of park facilities. This coordinator would serve as a clearinghouse for organizing league play, setting up group outings, making fitness and nutrition presentations at schools, business, and civic organizations and providing public information through a marketing campaign. Because corporate recreation is in high demand, the Fitness Coordinator will also specifically target small- and medium-sized businesses to develop recreational activities that will bring people to our park facilities, and promote a healthy, social environment for our citizens. It is my hope that this coordinator will look at continuing our public/private efforts in this area, and pursue additional funding to support these activities. These activities will also undoubtedly serve to revitalize our neighborhood parks as well, thus improving our residents' quality of life.

I am also recommending continued support for the Firefighters Wellness Program, including funds for a fitness instructor and nutritionist for this program.

#### **d) Mental Health**

Since its implementation in 2000, the Eleventh Judicial Circuit Court's Criminal Mental Health Project has worked diligently to make jail the last resort for individuals with mental illnesses and facilitate their access to the mental health system. The Project's goals are to divert mentally ill individuals who are arrested for misdemeanor offenses from the criminal justice system to the mental health system; reduce recidivism through community delivered rehabilitation services; and collaborate with community organizations to marshal the necessary resources to reduce repeat criminal offenses. Services include the Pre-Booking Diversion Program, the Jail Post-Booking Diversion Program, an Adult Living Facility Quality of Care Program and the Comprehensive Care Program. The recidivism rate for individuals diverted through the Project has been reduced from 70 percent to 11 percent since the inception of the program.

I am also supportive of the efforts of the Miami Dade Police Department (MDPD) to review its policies and procedures with respect to mentally ill suspects. I encourage the Department to dedicate the necessary resources to address this important community issue.

I am recommending additional funding in this area to allow the Project to enhance existing programs and seek new avenues to increase the diversion of individuals suffering from mental illnesses; and continue to place these individuals in appropriate comprehensive care programs. Doing so will improve their quality of life and further save the County critical tax dollars that can be used for other services.

The Health Care Access Task Force Report recommends expanding the Project to include eligible individuals arrested for felony offenses, which I support. At this time, the plans to expand service coverage to this segment of arrestees are in the planning stages and I support future funding requests for this purpose. I am in full support of this commendation.

#### **e) HIV/AIDS Prevention**

HIV/AIDS continues to represent a significant threat to the well being of our community. As of December 2001, the Centers for Disease Control and Prevention ranked Miami-Dade County ahead of 43 States in the number of cumulative AIDS cases. As of June 2001, Miami-Dade County had the highest incidence rate of HIV/AIDS in the nation, with the Miami-Dade County Health Department estimating that there are 27,000 cases of HIV and AIDS in Miami-Dade County and an average 1,500 new HIV infections reported per year in Miami-Dade County. This amounts to an average of four new reported cases per day, locally, not including a potentially significant number of cases that go unreported.

In addition to Medicaid and Medicare funding, over \$80 million in State and federal funding is available locally to provide medical care and supportive services to those infected by the HIV virus, including over \$27 million in Ryan White Title I funding awarded to Miami-Dade County by the federal government. Although Miami-Dade County has contributed over \$2.6 million during my tenure as Mayor to combat HIV/AIDS transmission, prevention efforts remain woefully under-funded. I am recommending continued County support of local prevention efforts through existing contracts and an enhanced level of support to the Alliance for Human Services for HIV/AIDS prevention.

I am also recommending funding for the Community Jail Linkage Coalition to support interventions that will improve awareness among inmates and corrections personnel, and help inmates access appropriate services upon release.

### **VI. Investing in Our Community – Safe Streets and Safe Homes**

#### **a) Homeland Security**

There is no more important function of government than ensuring the safety of its citizens. Unfortunately, in light of the domestic attacks of 9/11 this statement has taken on new meaning and focused our attention on security matters beyond those we had ever envisioned at the local level. Our community is served by outstanding law enforcement and public safety agencies, all comprised of courageous men and women who risk their lives to protect our own. I know that they stand ready to assist in the unlikely event of a terrorist attack in our community. In turn, we must ensure that they are fully prepared and equipped to do their jobs. They and we must continually plan, train and prepare.

I am pleased that substantial progress has been made toward securing additional resources for our fire and police departments over the course of the past year and a half. But more work remains to be done. With

passage of the Homeland Security Act of 2002 and the historic reorganization of federal safety agencies into a National Office of Homeland Security, there will be substantial resources available to local communities like ours to strengthen our abilities as first responders. To prepare us to access these funds, plan our response and prepare our public safety and related agencies and organizations, we have created an Office of Homeland Security.

I have very high expectations for this department. It will serve as the single point of coordination for all of our Homeland Security initiatives, including planning, training, grant application and management, ensuring overall preparation by County departments, and communicating our progress to elected officials and the community as a whole. This department is responsible for defining our plan clearly and communicating internally and across agencies on a regular basis. To ensure that we as elected officials are kept up to date on the Department's activities, I am directing the Manager to submit reports on the department's activities and planning on a monthly basis to my Office and the Board. These reports should be comprehensive and also provide a summary of upcoming activities and goals for the month following their submittal. In order to aid our Congressional Delegation in advocating for additional federal grant funds and appropriations, I am requesting a comprehensive report outlining the County's Homeland Security expenses since 9/11. Recently, my office tried to obtain this information and was provided with a partial accounting from only some departments. With one coordinating department, I expect a thorough report covering all county departments and all expenditures to date to be provided to my office within two weeks. In addition, I am requesting a report outlining our homeland security equipment needs and infrastructure improvements with estimated costs. This information is critical as we attempt to secure additional federal resources.

Many additional federal resources will come in the form of grants, which require detailed applications, monitoring and follow-up with federal agencies. I am hereby requesting that the Homeland Security Director develop a detailed plan that clearly articulates our strategy and the internal processes for applying, receiving and expending grant funds.

I am confident that we have made substantial progress toward strengthening our community's security, but like any major endeavor, work is ongoing and our additional needs continue to be identified. With a full-time Homeland Security director on board I expect complete coordination and regular updates so that we may hold the department accountable for meeting its objectives.

#### **b) Enhanced Enforcement Initiatives**

Once again, I commend Director Carlos Alvarez and the members of the Miami-Dade Police Department (MDPD) for their enormous efforts to ensure that our residents and visitors are protected and that we are prepared to respond to every type of emergency. Since 1996, we have provided additional funding of nearly \$50 million to the Department to enhance law enforcement initiatives. The additional funding, along with the Department's hard work and the implementation of the most advanced analytical techniques for investigation, has resulted in a 44 percent decrease in violent crimes in unincorporated Miami-Dade County since 1996 when the Enhanced Enforcement Initiatives (EEI) were first implemented. It is crucial that we continue to provide our police with the necessary resources it requires to provide our residents and visitors with safe streets, safe homes and safe communities.

Our crime efforts are successful due in large part to the Tactical Narcotics Team (TNT) program, the Warrant Sweeps Program and Robbery Intervention Detail (RID) programs. The TNT program addresses street level



narcotic criminal activities. It uses high visibility patrol coupled with sustained efforts to ensure that criminal activity does not return to the area. It has resulted in 3,000 felony arrests in 2002 and a three percent increase in overall arrests from 2001. Of the total arrests, 44 percent of the arrestees had a violent criminal history.

To allow our police department to continue to adequately address all of our crime-fighting efforts, I am recommending that funding be included in the fiscal year 2003-04 Budget for additional sworn positions.

Officers from other details on an overtime basis previously staffed these programs. Each of these programs is a critical component of our crime fighting efforts. Providing the necessary funding to support additional full time positions, guarantees that a permanent mechanism is in place to continue to reduce crime in our community.

I am also recommending that funding be allocated in the budget to hire additional civilian employees to support police technology and recruitment efforts, victim services coordinators and other positions which are important to our crime-fighting efforts. Sworn officers currently handle many of these functions, which are properly suited for civilian personnel. Providing funding for these additional positions will allow sworn officers to devote 100 percent of their time to policing activities and provide the department with adequate personnel to support our crime fighting efforts.

In the current fiscal year, there has been a noticeable and disturbing reduction in revenues from the Law Enforcement Trust Fund (LETF) from both federal and State asset sharing programs. Other jurisdictions, including Broward, Palm Beach and Monroe counties and the City of Miami, have experienced reductions as well. Without a funding supplement, our crime-fighting programs would have to be curtailed. We cannot allow this to happen. To this end, Director Alvarez is working with the Manager and OMB to identify a supplemental funding source for the current year. As we proceed through the budget development process, we must keep in mind that the reduction in LETF revenues may become the norm instead of an anomaly and as such, we must make certain that an adequate level of funding is in place to continue all of our crime fighting efforts. Additionally, we must be vigilant of the type of expenditures made from this funding source.

Citizen's Crime Watch: We all know that our law enforcement personnel need help in accomplishing crime prevention and community safety. Our crime prevention efforts must include neighborhood "watchdog" grassroots efforts to help supplement our policing efforts and prevent crime. Therefore, I am recommending continued funding for the highly successful Citizen's Crime Watch program.

Victims Services: The Victims Services Center (VSC), a non-profit organization, provides services to adult and child victims of crime in Miami-Dade County, including one-on-one trauma counseling and resolution. It also facilitates support groups, advocates for victim's rights and provides expert testimony during trial. It is the only non-profit organization in our community that provides these services to victims of crime. Since 2002, VSC admissions have increased by 47 percent from 479 to 705. As a result, there is a waiting list of crime victims in need of assistance.

To allow the program to reduce its waiting list and continue to provide this much needed service to crime victims, I am recommending an increased allocation to allow VSC to hire four additional trauma specialists.

Transitioning Article V Costs: In 1998, Florida voters passed Revision 7 to Article V of the State Constitution. As amended, Article V now requires the State to fund the bulk of the costs of the State Court System, the Public Defender and State Attorney, except as specifically provided in the amendment. Revision 7 further requires that

all court operations of the Office of the Clerk be funded primarily from filing fees and service charges. These revisions must be fully implemented by July 2004. Therefore, as we engage in the preparation of the fiscal year 2003-04 Budget, a careful evaluation will have to be made regarding the last quarter of fiscal year 2003-04, as this quarter falls within the prescribed statutory deadline. Although current legislation is clear as to the funding requirements established by Revision 7 for the majority of court services and functions, a number of important court programs that support our judicial system still remain undefined as it relates to fiscal responsibility. If current legislation is not properly amended to make these programs inclusive pursuant to the intent of Revision 7, funding for them will become an issue. In addition, we look to the Legislature to clarify the definition of Revision 7 as it pertains to local requirements. Otherwise, the County will be pressed to incorporate these funding needs into the regular budget process, where they will compete with other programs and services vital to our community.

## **VII. Economic Development and International Trade**

### **a) Economic Development**

Increasing economic opportunities for our residents by attracting new businesses, expanding existing businesses and revitalizing the infrastructure of our under-invested neighborhoods remains one of my highest priorities. However, true progress is not measured by the amount of funding allocated to economic development programs; it is measured by the ability to get funds into the hands of those in need and those that can make a difference and, ultimately, by the number of new jobs created or enhanced and the amount of wealth generated.

Frankly, I am concerned about the ongoing delays in committing/distributing funds (approximately \$45 million) into the community, especially funds that were allocated more than a year ago. In my fiscal year 2001-02 Budget Message, for example, I allocated \$6.5 million for the creation of a New Markets Venture Capital Fund. This would have leveraged an additional \$35 million in federal funds. Although this amount was later reduced to \$5 million by the Board, the purpose of this funding was to provide much needed equity capital for businesses and economic development within the County; and was supported by the recommendations contained in the Florida International University Economic Development Implementation Plan (FIU EDIP) that called for building local public/private lending capacity to serve the equity needs of minority-owned businesses and creating a local entrepreneurial environment. As much as I was assured last year that progress was being made with this initiative, I have been informed that action has dwindled and these funds have still not been awarded. Inaction when people's livelihoods depend on these funds simply cannot be tolerated.

In February 2001, I charged the County Manager with the task of preparing an economic development plan that would address the problem of economic disparity within the communities of Miami-Dade County. Towards that end, the Economic Development Master Plan Work Group has continued to meet and make progress. However, this plan is still not complete. There is still the need to ensure that this plan is complementary to the Economic Development Strategic Area Plan and to reduce fragmentation and increase coordination of existing new programs and resources. There is a need to eliminate unnecessary duplication of programs and streamline the administration and delivery of program services and assistance, as well as the need to create a strategic process that will more effectively rationalize and leverage the allocation of scarce resources for economic development based on identified short-term and long-range community priorities.

Specifically, the principal goals for an Economic Development Master Plan for Miami-Dade County are to:

1. Provide infrastructure development and enhancement to improve the market appeal of opportunity areas for private investment;
2. Increase incomes through the maximization of neighborhood job opportunities and the implementation of income enhancement strategies; and
3. Emphasize efforts to build wealth through the encouragement of business ownership, capital accumulation and land ownership and development.

Last year in my Budget Message, I called for the creation of the Community Economic Development Coordinating Council to provide a forum for better coordination among our various economic development agencies and to allow these agencies to develop a recommendation for achieving efficiencies. This Council is comprised of Commissioner Rolle, Chair of the Economic Development and Human Services Committee, staff from the Manager's Office, the Chairs of Metro-Miami Action Plan (MMAP), Miami-Dade Empowerment Trust, Inc, the Office of Community and Economic Development (OCED), the Urban Economic Revitalization Task Force (UERTF) and their respective Directors. The Coordinating Council was charged with meeting on a quarterly basis to review, coordinate and monitor implementation activities of the mentioned agencies. The substantive objective of the Coordinating Council is to identify efficiencies that will lead to ongoing streamlining efforts. By working closely with this body, we will steadily modify our economic development delivery system in an efficient and practical manner.

Commissioner Dorrin Rolle recently convened a meeting of the Council in an effort to accelerate the pace of this group's progress. I commend Commissioner Rolle for his leadership in this area. We must continue to monitor our economic development programs and evaluate them with meaningful performance-based measures.

The Council will also be making recommendations regarding the consolidation and merging of certain administrative functions and programmatic activities such as loan processing between the OCED, MDCEZT, MMAP and the UERTF. Potential areas for improved coordination/consolidation of resources among these agencies include personnel management, fiscal administration, information technology, procurement, and planning, contracting and monitoring.

I restate my concerns regarding the ongoing delays in getting funds into our community. However, I expect that those departments responsible for our economic development programs such as OCED, MDCEZT, MMAP and UERTF, to address these concerns immediately and take the necessary steps to get these much-needed funds allocated and into the community as soon as possible. I am further directing the Manager to prepare a detailed status report within 60 days.

Moving forward, I am recommending funding for targeted economic development strategies that can make a measurable, immediate and sustained difference. To date, funding for economic development programs has been requested for four top priorities as follows: \$4 million for expansion of the New Markets Venture Capital Fund; \$3 million for the OCED Community Development Revolving Loan Fund to supplement the FY 2003 Community Development Block Grant allocation of \$1.3 million; \$1.3 million for the highly successful Mom and Pop Business grants for low-income areas; and, \$1 million for commercial revitalization to supplement the fiscal year 2003 federal allocation of \$800,000. Support for the continuation and enhancement of these

programs is called for in the FIU EDIP and the County's Strategic Plan. While I am supportive of these programs, I am directing the Manager to first finalize the Economic Development Master Plan as soon as possible and forward it to the Committee on Economic Development and Human Services for debate and approval. Specific program funding will be recommended in my response to the Proposed Budget in July based on the outcome of these deliberations.

Neighborhood Renewal and Infill Housing: The Infill Housing Initiative, which began in 1997, promotes economic development in urban core areas by increasing affordable homeownership, while improving the physical existence of less than desirable neighborhoods. The Infill Housing Advisory Committee (IHAC), comprised of County staff from various departments, is responsible for, among others, addressing the concerns and issues relating to the permitting and construction process and determining if land/lots are suitable for development under the program. Since 2000, a total of 86 properties have been awarded to private developers through the County's competitive bid process and an additional 23 are scheduled for Board approval. In addition, 119 properties have been conveyed to not-for-profit development corporations, including Community Development Corporations (CDCs). The program is being considered for a National Association of Counties Award for its achievements.

I commend Rene Rodriguez, Director of the Housing Agency and the members of the IHAC. Their significant efforts have made the program a success. However, the County has identified through discussions and meetings with CDCs and private developers, certain obstacles that, if removed, should increase our affordable housing stock and provide more housing for waiting families. Some of these obstacles include, but are not limited to, liens, attorney fees, water and sewer connection charges and delays in the approval and issuance of permits and zoning variances. These costs are barriers to infill development and are generally passed on to the homeowner, increasing the price of the home and monthly mortgage payments. We must keep in mind that these homes are being purchased by families on low incomes who struggle day-to-day to make ends meet. Therefore, I am recommending that the County Manager seek ways to reduce the delays in the administrative processes and the establishment of an Infill Housing Trust Fund to reduce the cost of removing some of the barriers. I am reluctant to absorb taxes and liens of other jurisdictions; however, I encourage municipalities to adopt the same practice. Some of the other concerns expressed by CDCs and private developers can be addressed administratively. Resolving these issues and removing obstacles in the building process should increase the number of private builders willing to construct affordable housing, thereby addressing the critical housing needs of our low-income population.

Federal Earned Income Tax Credit and Individual Development Accounts: Through our Public Information Campaign and the efforts of public, private and community partners we have increased the awareness of the federal Earned Income Tax Credit (EITC). Those eligible can receive up to \$4,000, and when coupled with credit repair and homebuyer counseling, it can help low-income families lift themselves out of poverty.

We are also moving forward with our efforts to leverage the benefit of the EITC through Individual Development Accounts (IDAs), a federal initiative. IDAs are designed to promote savings for homeownership, post-secondary education or entrepreneurship. They are funded by savings from low-income individuals and matched or leveraged one or more times with grant funds from a public, private or other source of funding. IDAs can significantly improve opportunities for our less than fortunate residents and provide them with the resources they need to purchase their first home or send a child to college. In support of this effort, \$200,000 of Community Development Block Grant funds have been allocated and we will be working with other

community-based organizations to ensure that qualified residents are able to take advantage of this program. I am also directing the County Manager to assess the need for providing additional funds to this program.

I am recommending that funding be included in the fiscal year 2003-04 Budget so that we can continue our Public Information Campaign to heighten awareness among all residents eligible for the EITC.

**Job Training for Our Economically Disadvantaged Citizens:** Job training is an essential element of economic development as it provides opportunities for our economically disadvantaged citizens. For example, the Hospitality Management or H.O.S.T. - 2 Program provides specialized training for students to meet the needs of the hospitality industry. The program currently has 358 students enrolled, a majority of which are under-represented minority students. To allow the program to continue its worthwhile efforts, I am recommending that an allocation be included in the budget.

#### **b) Free Trade Area of the Americas**

For several years, I have been working to secure Miami-Dade County as the location of the permanent seat of the Secretariat of the Free Trade Area of the Americas (FTAA), the headquarters for what would be the largest free trade area in the world. A significant share of trade would pass through the Seaport and Miami International Airport, and Miami-Dade County - and undoubtedly all of Florida - would be major beneficiaries of the FTAA.

Others in the hemisphere are vying to become the permanent seat of the FTAA Secretariat, including the City of Atlanta, Georgia. But we are positioned well. The vision of the FTAA was born in Miami-Dade County and we are uniquely situated among the other competing locations to become the "Brussels of the Western Hemisphere" because we have long been the gateway for trade between Latin America and the Caribbean. Our diverse and skilled workforce, infrastructure and local resources add to our strengths.

Last October, a Florida delegation comprised of local business and community leaders, including Commissioner Jose "Pepe" Diaz, and myself, attended the FTAA Ministerial meeting and the VII Americas Business Forum (ABF) in Quito, Ecuador to highlight our community's unique position and promote Miami-Dade County as the permanent seat. Miami-Dade County has been selected to host the next FTAA Trade Ministerial and the VIII ABF in November 2003. This event will give us the opportunity to showcase our community and promote Miami-Dade County as the most logical site for the Secretariat.

On March 10<sup>th</sup>, the Board approved a resolution authorizing execution of a Memorandum of Understanding between Miami-Dade County and the cities of Miami, Coral Gables and Miami Beach for the November event. The County and the three cities will be working to prepare for this occasion. The budget for the event is being prepared jointly by Miami-Dade County and the three cities. This budget must include the resources necessary to provide sufficient security for an event of this magnitude. I have every assurance that our combined efforts will make this three-day event a tremendous success, and demonstrate to our guests that we are not only the gateway to the Americas, but also the preferred location for the permanent seat of the FTAA Secretariat above all others.

The permanent seat will be selected in 2005 and if Miami-Dade County is selected, we will no doubt reap huge benefits. I am recommending that an allocation for these efforts as well as funding for the November event be included in the budget. Our potential return on this investment is well worth the cost.

## **VIII. Transportation and Infrastructure**

### **a) People's Transportation Plan**

The voters spoke clearly on November 5, 2002, when they overwhelmingly approved the People's Transportation Plan (PTP). Transit and transit-related improvements are not only important for our quality of life, but also essential for the economic health of our community. With passage of the PTP, improvements to our transit system began immediately, with expanded bus service and free Metromover. In addition, another successful program that provides financial relief to our senior citizens, the Golden Passport Program, immediately became available to anyone over 65 years of age, regardless of income. Initiated by Commissioner Bruno Barriero, more than 55,000 seniors have applied for and received their passport for free bus and rail service, to date. I am pleased to report there has been a 15 percent increase in new passports issued since voters approved the surtax in November. We must continue to reach out to the community to ensure that all senior citizens are able to take advantage of this benefit.

Very shortly, we will have in place our Citizen's Independent Transportation Trust (CITT). They are our community's eyes and ears for ensuring that the goals of the PTP are realized. In concert with the Board of County Commissioners, the CITT has been entrusted by the voters to ensure that projects are constructed in a timely, efficient and effective manner.

To that end, I am recommending that the CITT approve all portions of the operating and capital budgets of any County departments that receive PTP surtax funds or financial benefits, thereby closing the loop between the PTP and the County budget process. Through this process, the CITT can more closely examine the use of the sales tax proceeds and associated PTP revenues, ensuring that the usage of these funds is consistent with stated PTP goals. The same levels of efficiencies and return on our investments that we have today must also be preserved or exceeded as we move forward with the implementation of the PTP. Such items as: the 12 percent administrative overhead that existed at Miami-Dade Transit before the referendum (that made it the lowest in its peer group) must be maintained or improved; the 35 percent farebox recovery ratio (that exceeded national averages) must also be maintained or improved. The CITT must demand that service standards such as on-time performance, miles between road calls, preventable accidents and others be improved given the newer equipment and added investments. Similarly, those capital projects must be kept on schedule and within budget.

To ensure maximum efficiency, I expect the Manager to carefully examine the division of responsibilities between Miami-Dade Transit (MDT) and the Office of Public Transportation Management (OPTM). I am not fully satisfied that we have kept duplicative efforts to a minimum and expect that the Proposed Budget will reflect a refinement of what has been tentatively envisioned. I commend the Manager for ensuring that traditional "back office" functions are consolidated in one department instead of duplicated in both; however, the same cannot be said of other common functions such as communications and public affairs where duplication appears to exist.

One of the cornerstones of the PTP is the promise that all proceeds from the surtax would be dedicated to transportation and, more specifically, to enhanced services and projects that will make traveling through our community easier and more convenient. The PTP was also built around the premise that revenues generated from the investment of the sales tax (i.e., interest earned on surpluses, joint development revenues from new rail lines, farebox revenues from new or enhanced bus services), the general fund maintenance of effort; and all

other revenues accruing to MDT at the time of the passage of the tax (and now accruing to MDT and OPTM): such as proceeds from the local option gas tax, among others, would also continue to go exclusively to transportation, and therefore could only be used to support the PTP. The financial plans that will permit implementation of the improvements approved by the voters are built on this premise. As such, I will oppose any measure that diverts any of these revenues to support expenditures not a part of the PTP without the approval of the CITT and I will oppose any action, directly or indirectly, that diverts any of the funds for non-transportation purposes.

#### **b) Regional Transportation Efforts**

I support the efforts of Commissioners Katy Sorenson and Bruno Barreiro in moving forward our efforts to create a Regional Transit Authority (RTA). Improved coordination will no doubt provide relief to some of our traffic congestion by making inter-county commuting easy, safe and fast. Consistent with the Board's action last year, the effort to create a coordinated transit planning process must include the equal representation of the three regional partners. Our current level local funding commitment must also continue. And while identifying a dedicated source of funding is key to the success of the RTA – and we should remain committed to identifying a viable source of funding that will assist us in leveraging federal funds - investing in regional transit improvements cannot be at the expense of the implementation of the PTP. Local funds already committed to support and finance the PTP, such as the local option gas tax, cannot and should not be diverted.

#### **c) Quality Neighborhoods Improvement Program**

The Quality Neighborhoods Improvement Program (QNIP) was launched in 1999 with over \$147 million in funding for sidewalk, drainage, resurfacing, and park improvements throughout unincorporated Miami-Dade County. Pursuant to my recommendations, in January 2002, the Board approved \$60 million in funding for Phase II of the program and an additional \$3.6 million (for Phase III) in September 2002 to further expand the program. To date, our investment in this program is nearly \$211 million, which includes financing proceeds and pay-as-you-go funds. Projects valued at more than \$100 million have been completed and nearly \$80 million of projects are in various stages of development. These improvements have significantly enhanced neighborhoods within the unincorporated area, including our older urban areas. However, we still have many unmet needs in our local neighborhoods, including nearly \$200 million in infrastructure improvements and approximately \$280 million in park improvements as reflected in the fiscal year 2002-03 Budget.

Contingent upon the availability of funds, I will be working with the Board and the Manager to develop an expanded program that appropriately addresses the needs within each Commission District.

### **IX. Recreation, Arts and Culture**

#### **a) Continuing Our Investment in our Diverse Cultural Programs**

The Mayor's Economic Summit II, held January 25, 2002, established as one of its key goals the strengthening of Miami-Dade County's cultural industry. This cultural component of the Summit's plan is part of a strategy to build the necessary infrastructure for Miami-Dade to remain competitive for business and tourism development. The Summit's adopted goal was to increase support to the Department of Cultural Affairs by \$5 million over four years. To this end, the Board allocated \$900,000 for fiscal year 2002-03 for grants to cultural programs. The timing of these additional funds was particularly important for the survival of Miami-Dade's

young and growing arts community given the economic recession and its negative impact on contributed income and endowment earnings. Our increased investment of County funds sent a strong message to other contributors that Miami-Dade County's cultural life is important to its economic destiny. On the average, every dollar of County grant support leverages approximately \$17 million of other private and public sector contributions.

Our cultural programs serve to increase the overall economic health of our community because it strengthens existing cultural arts organizations and supports arts groups that are providing programming in underserved neighborhoods, attracts more cultural visitors, and helps to stabilize and revitalize neighborhoods. My intent is to meet our funding commitment. However, we must keep in mind other factors which may affect our fiscal year 2003-04 Budget such as: the current state of our economy; the ongoing war's impact on our community; and the need to address significant priorities, including providing health care insurance for the uninsured and meeting the needs of our children as we determine an appropriate level for enhanced cultural funding.

#### **b) Park Programs**

Miami-Dade County must continue to be a community where people can both work and play. Our talented Park and Recreation staff has ensured that we enjoy one of the best parks systems in the country. The programming at our parks continues to enrich the lives of thousands of children, and provide cultural opportunities for scores of families. We must make sure that those programs currently in place are preserved, and that no cuts to existing efficient and effective programs are made. The Parks Department has made strong efforts to provide worthwhile programming, as well as produce and attract events such as the Junior National meets and national horse shows, and I commend them for this.

In addition to maintaining current programs, it is my recommendation to continue to build on successful programs, such as the Swim Central Program and programming for our seniors. Both of these programs are valuable resources and investments, and funding must continue to be allocated. The inauguration of the Mayor's Health and Fitness Challenge will also bring many residents to our parks; I would hope that our parks have all the necessary equipment so that their use may be maximized.

We began a renovation of the African Heritage Cultural Arts Center that will make this park program another jewel in our dynamic system. The new music hall will ensure that our community can share its cultural diversity in a setting befitting the quality programs that have been produced by Center staff for so long. Unfortunately, the lowest construction bid received was more than the amount allocated for this project. Although a supplemental funding source was identified prior to awarding the contract, I believe that other sources of funding are appropriate and I am therefore asking the Manager to identify this source. Further, I am requesting that the Manager begin developing plans and identifying funding for the creation of a Northwest Dade Regional Ball Park, and other enhancements to park facilities in that area.

Lastly, the Miami Metrozoo continues to prosper under the aegis of an exemplary public/private partnership. The American Bankers Family Aviary, "The Wings of Asia", will open this May with its display of exotic, rare and endangered Asian birds representing 70 species of about 300 birds. Our ambitious Metrozoo Master Plan envisions a zoological park that will rival facilities around the nation and the world. We must remain committed to implementing this master plan, and identifying the resources – even if necessary over multi-year cycles – to move the next phase into reality.



## **X. A Vision for Miami-Dade County – Investing Today for A Prosperous Tomorrow**

My goal is to continually improve the quality of life for all of our residents. It is imperative that we stay focused on our priorities to ensure that we have the resources necessary to provide our residents with the services they want, expect and deserve from our government, while continuously improving our performance. To do this we must ensure that, among other things, we are fiscally sound, our neighborhoods are safe, our transportation system is effective and our economy is healthy.

As the Manager develops the proposed budget in July, as I am more fully informed of the County's needs, and as we obtain further information on the impacts of the war – especially on our economy - I will elaborate upon my vision statement.

## **XI. Closing**

During the past seven years, Miami-Dade County, as a family, has accomplished a great deal. These accomplishments are described throughout this Budget Message. The inclusion of the recommendations and initiatives outlined in this Message reflect the needs of our community and what our taxpayers expect from us as a government, and I am confident that each of them will be adequately addressed.

I would like to thank members of my staff, Javier Soto, Diana Ragbeer, Joe Ramallo, and Hilda Fernandez, and the Office of Management and Budget staff, in particular, Rosalind Ray Morgan and Rowena Henry, for their efforts in preparing this Budget Message.

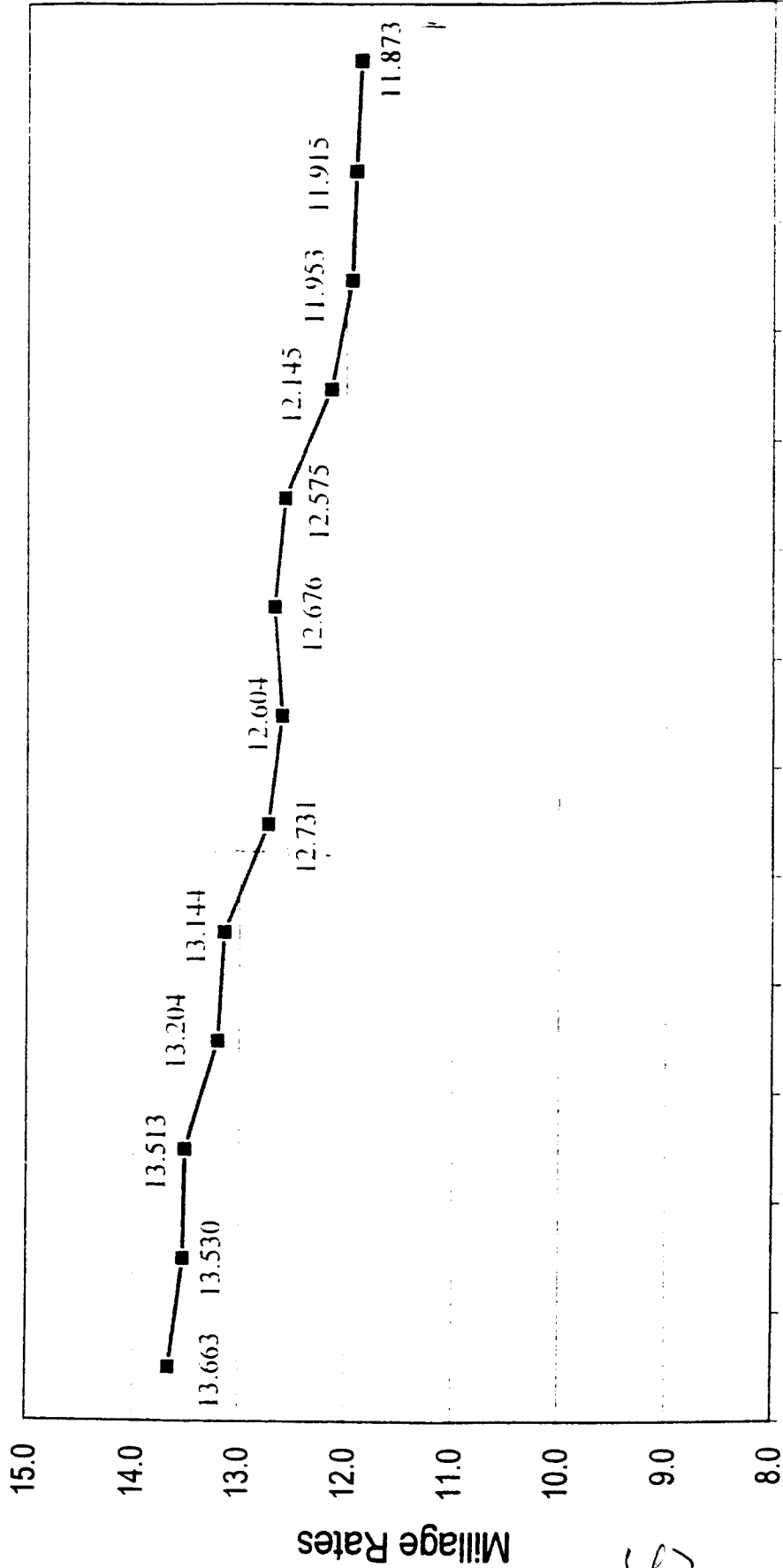
## **Attachments**

cc: Steve Shiver, County Manager  
Honorable Joseph Farina, Chief Judge  
Honorable Harvey Ruvin, Clerk of the Courts  
Honorable Bennett H. Brummer, Public Defender  
Honorable Katherine Fernandez-Rundle, State Attorney  
Ira Clark, President, Public Health Trust  
Robert Ginsberg, County Attorney

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# Attachment 1

## Total Combined Millage Rates



FY 90-91 FY 91-92 FY 92-93 FY 93-94 FY 94-95 FY 95-96 FY 96-97 FY 97-98 FY 98-99 FY 99-00 FY 00-01 FY 01-02 FY 02-03

## Attachment 2

# Senior Citizen Homestead Exemption

ESTIMATED SENIOR CITIZEN TAX SAVINGS BREAK-DOWN Based on the 2002 Assessed Value of \$50,000 or more Effective for the 2002 Property Tax Roll

Municipality	Number of Qualified Owners	City Portion of Tax Savings	County Portion of Tax Savings	Total Savings
	732	\$56	\$252	\$307
Bal Harbour	20	\$0	\$239	\$239
Bay Harbor Island	92	\$0	\$239	\$239
Biscayne Park	36	\$0	\$252	\$252
	344	\$146	\$185	\$331
El Portal	33	\$0	\$252	\$252
Florida City	68	\$0	\$252	\$252
	1	\$215	\$252	\$466
	5,677	\$188	\$173	\$361
	241	\$153	\$252	\$405
	265	\$213	\$252	\$464
Indian Creek	1	\$0	\$252	\$252
Islandia	0	\$0	\$185	\$185
	54	\$90	\$185	\$275
Medley	7	\$0	\$252	\$252
	6,975	\$252	\$185	\$437
	1,617	\$208	\$185	\$393
Miami Lakes	243	\$0	\$252	\$252
Miami Shores	95	\$0	\$239	\$239
Miami Springs	217	\$0	\$239	\$239
North Bay Village	63	\$0	\$252	\$252
North Miami	600	\$0	\$239	\$239
North Miami Beach	599	\$0	\$239	\$239
Opa-locka	149	\$0	\$239	\$239
	70	\$60	\$252	\$312
	160	\$159	\$252	\$411
	413	\$84	\$252	\$335
Surfside	119	\$0	\$239	\$239
	201	\$86	\$252	\$338
	17,001	\$0	\$313	\$313
Virginia Gardens	52	\$0	\$252	\$252
	233	\$212	\$252	\$464
<b>TOTAL</b>	<b>36,378</b>			

The municipalities highlighted adopted similar Senior Homestead Exemption Ordinances

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**MEMORANDUM**

TO: Honorable Alex Penelas, Mayor  
Honorable Chairperson and Members  
Board of County Commissioners

DATE: January 31, 2003

SUBJECT: FY 2003-04 Budget  
Priorities

FROM: Steve Shiver  
County Manager

**LEGISLATIVE AND CHARTER CHANGES**

Last year, the Board approved ordinance 02-128 sponsored by Commissioner Morales that requires me, by January 31 of each year, to provide a list of up to 20 budget priorities for the next fiscal year. Following their submission, the priorities are to be reviewed by the appropriate commission committees, which will develop draft budget policies. I propose that we assist each committee in the development of the budget priorities through budget workshops before each committee during March. Those workshops could focus on the suggested priorities as well as preliminary revenue and expenditure estimates as best available. In April, the Board is required to adopt up to 20 budget policies to provide additional direction as we work together to prepare the Proposed Budget.

Additional changes to our budget process came with the modifications to the County Home Rule Charter which altered the calendar and responsibilities for developing the budget. Under the Charter, the Mayor now is required to provide a Budget Address in March. The Mayor will also provide a written response to the Proposed Budget in July before the County Commission approves the millage rates to be used on the Notice of Proposed Property Taxes. Pursuant to state law, the Property Appraiser must be notified of the Proposed Millage Rates by August 4. Historically, the Board has approved the millage rates at the last Commission meeting in July.

The Charter changes also included the creation of the Office of Commission Auditor. The Commission Auditor will be responsible for providing the Board with budgetary, fiscal, and audit management analyses, including, in particular, the revenue projections for the current and next fiscal years. It has always been my intent to involve the Mayor and the Board of County Commissioners as early as possible in the process of developing our budget. In fact, it was two years ago that we invited the Board's Office of Legislative Analysis to attend our departmental budget hearings to gain more insight earlier in the process. I look forward to continue to work with you as we prepare the FY 2003-04 budget and to ensuring a smooth progression in the development of the Commission Auditor Office.

**BUDGETARY CHALLENGES**

Several challenges face us as we begin to prepare the FY 2003-04 budget. First, as I reported to the Board in December, carryover into FY 2002-03 was

approximately \$4 million less than budgeted. While we do not expect this shortfall to jeopardize budgeted programs, we will monitor the situation closely. Other revenues are expected to be in line with our original projections, and we anticipate normal growth of those revenues into FY 2003-04. Also, with the continued strength in our real estate market, property tax roll growth should be strong again for next year. However, it should be noted that ad valorem property assessment increases to properties with Homestead Exemption are statutorily capped which will minimize the tax burden to our neediest residents.

As elected officials you are often faced with those who believe that our entire budget is discretionary. It is important to point out those expenditures that are mandatory based on contractual or other circumstances beyond our control. Through collective bargaining, wage increases of four percent have been approved for July, 2003, and July, 2004, which will have to be included in the FY 2003-04 budget. Also, as health costs increase nationwide, we anticipate an additional cost of approximately \$30 million more for our organization. Unless changed, state law will require an estimated increase in the County's mandated retirement payments of more than \$80 million in the operating budget. The Governor's proposed budget reduces that increase to approximately \$25 million. Also, programs phased-in during the current year, such as new fire rescue service and transit service, will have to be funded for a full year, and existing commitments for such items as beach renourishment and Miami River dredging will have to be honored.

Under Revision 7 to the State Constitution, the State is to fund its share (approximately \$60 million annually) of Article V Court Costs beginning July 1, 2004, which covers the last quarter of FY 2003-04. While the State is to fund "its share," there is much debate over what other services or programs currently offered will become our sole responsibility. At this time, it is likely that the legislature will not consider this issue fully until the 2004 session, by which time we will be halfway through the fiscal year. Therefore, the budget, while assuming the State meets its responsibilities, must provide the flexibility to address a shortfall in State support.

Another challenge with continued budgetary implications is a resolution to issues surrounding annexation and incorporation. As areas within UMSA continue to move towards incorporation or annexation, we need to look seriously at the implications on our County organization. We must develop better ways of estimating the effect on not only the remaining unincorporated areas, but also the entire organization. We eagerly await the Committee discussion on, and final resolution to, this long standing debate.

As a special note, it is incumbent upon us to provide total and complete information to Municipal Advisory Committees and the voters in the affected communities. We must be proactive in the development and analysis of pro forma municipal budgets. In addition, the current requirements regarding

mitigation payments from donor communities need to be reviewed and revised to clarify the payments purposes and uses.

## **BUDGET PREPARATION SCHEDULE**

We are just into the second quarter of the fiscal year. Actual revenue and expenditure history during the first quarter is being used to develop the first, preliminary projections for the current year and to provide revenue estimates for the next fiscal year. At the same time, line departments receiving property tax support have been given appropriation targets (preliminary budgets) within which to prepare their base budget submissions. Historically, the preliminary budgets serve as a floor for recommended departmental allocations. As the year progresses and departmental budget hearings are held, we will refine the projections for the current year, the estimates for next year, and will modify the departmental allocations based on the improved information. Proprietary agencies prepare preliminary budget submissions based on the general assumption that there will be no increases in fees and charges unless an increase has already been approved as in the case of contractual solid waste disposal fee adjustments consistent with changes in the consumer price index.

The departments are now developing their operating budget submissions, and the first ones are due to the budget office early in February. In the past, those submissions have been shared with the Commission through the Office of Legislative Analysis and with the Mayor's Office, and we will continue to share the submissions with your offices.

We are also developing the Five Year Financial Plan that should be complete in late February or early March. That Plan will provide estimates for revenues and expenditures through FY 2007-08. It will provide a framework by which you can measure the effects of fiscal policies.

## **BUDGET PRIORITIES**

When preparing the budget, I have focused on three underlying principles:

- **People**—Promote customer service, both for external and internal customers;
- **Service**—Operate efficient and effective programs, developing innovative service delivery options to maximize services within limited resources; and
- **Technology**—Seek technological improvements to enhance customer service while reducing costs.

These three principles complement the nine strategic themes that have been identified through the Strategic Planning Process over the last year. Those Strategic themes are:

- Ensure Miami-Dade County operates in a fiscally responsible and stable manner;
- Improve the quality of life for all County residents;
- Protect the safety and quality of Miami-Dade County's neighborhoods;
- Continuously improve the performance and capabilities of County operations by maximizing technology, fostering innovation, and increasing access to information regarding services;
- Promote responsible and comprehensive policy development through effective planning for land use, transportation, and growth management;
- Promote a healthy economy through business development, further economic diversification based on key industries, and by addressing economic disparities in our community;
- Develop and maintain an effective transportation system;
- Protect and preserve our unique environment; and
- Promote cooperation and coordination among all government services.

In developing my list of priorities for FY 2003-04, I have returned to the three underlying principles as defined above and explicitly added a fourth principle that has been implicit in the past: **Fiscal Responsibility**—assure that adequate resources are made available for the long-term needs of the community. The list also incorporates the Strategic Areas.

The priorities are not limited to property tax supported agencies, but instead all County operations should be focused on achieving the strategic plans and budgetary policies you adopt. Subject to the policy direction from you, it is my intention to emphasize the following priorities in the development of the FY 2003-04 Proposed Budget.

## PEOPLE

1. Continue to enhance customer service and employee training throughout the organization. Special attention should be paid for new employees by emphasizing orientation programs, including Know Your County Government, ethics training, and customer service training, and to all employees through certificate, undergraduate, and graduate programs through our local colleges and universities.
2. Continue successful gainsharing and employee suggestion programs to foster more innovation and creativity among employees.
3. Provide resources necessary to implement fully the Answer Center as well as improvements and back up for emergency services dispatch.
4. Address, in a balanced manner, the needs and demands of our diverse community.
5. Enhance programs and resources needed to replace critical employees, such as police officers, corrections officers, fire fighters, and bus and transit operators.

6. Continue a phased approach to coordination of internal services to assure consistency in services to all county agencies, to maximize efficiency, and to improve effectiveness.

## **SERVICE**

1. Identify resources to continue, at current service levels, programs identified during the current year budget process as your priorities and to operate new facilities that are programmed to come on line. Such programs include Head Start, mowing maintenance along rights-of-way, allocations to community-based organizations, elderly programs, elderly meals, Youth Crime Task Force, parks, and police crime prevention activities.
2. Continue the Library Expansion and Maintenance Program within approved funding and timeframes.
3. Focus on economic development by providing adequate infrastructure such as water and sewer systems to enhance the market appeal of opportunity areas for private investment and by coordinating loan and other financial assistance/incentive programs to maximize their availability to the public while minimizing operational costs.
4. Expedite grant-funded projects, such as the FEMA supported drainage projects, to assure funds are spent in accordance with grant guidelines and grant timetables. Also, new grant opportunities should be identified, and sufficient matching funding should be made available for new and existing grant programs, such as the Miami River Dredging Project and the Beach Renourishment Program.
5. Identify resources to implement recommended changes to provide for quality elections without resorting to emergency conditions.
6. Address deferred facility maintenance by creating a Facility Maintenance Trust Fund fashioned along the lines of the Vehicle Replacement Trust Fund. I would like to begin this Trust Fund with a minimum of \$5 million.

## **TECHNOLOGY**

1. Increase County services available on the Internet or by telephone. Programs should be emphasized that increase the availability of County services and the convenience to the public at lower cost than under the traditional service models.
2. Use technology to meet the business needs of County agencies and to increase effectiveness and efficiency of services. Examples of such programs include the SPIRIT project supporting functions of the Office of the Clerk and the Courts, standardized asset management, appropriate financial systems, and the elimination of paper files, reports, etc.



## **FISCAL RESPONSIBILITY**

1. Increase reserves to provide adequate resources to address contingencies throughout the year and allow for increases in fund balances, especially for the general fund, to reach historic levels. This priority is multi-year in nature, and, for FY 2003-04, I would like to see general fund contingency reserves increased by 10 percent. In addition, adequate reserves must be available in the event the State does not meet its full responsibilities regarding funding Article V costs.
2. Identify complementary funding sources that can be directed to achieving individual strategic objectives. In particular, all transportation funding sources including the Transportation Surtax, general fund support, impact fees, fare box revenues, and tolls should be coordinated to maximize the achievement of the Citizens' Transportation Plan.
3. Develop a comprehensive, general obligation bond issue program of approximately \$1 billion without increasing debt service millage requirements that can be presented to the voters during a regular election in 2004.
4. Provide for property tax supported services within the current total millage rate for countywide operations, unincorporated area operations, fire-rescue services, library programs, and general obligation debt service, and clearly define services that could be improved with additional resources.
5. Minimize proprietary fee increases within departmental strategic objectives. In particular, water and sewer rates and solid waste collection rates should be reviewed within the context of the departmental strategic plans and set accordingly.

It is evident that our budget season brings many challenges. Incorporation and annexation, State revenue and expenditure shifts, cutbacks in the Governor's budget, and the increase in demand for services that we face every year truly necessitate a critical look at our organization and how we deliver service to the people of Miami-Dade County. I am certain that technology and innovation can assist us in balancing austerity with quality service delivery. That said, we are fortunate to have employees on the Miami-Dade County team that are truly dedicated to the success of the organization and realize that change is inevitable.